

PAYROLL DISTRIBUTION AND THE MODERN NBA

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ABSTRACT

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In the past 20 years, the NBA has undergone a dramatic metamorphosis as the league has become defined by cutting-edge innovation, the concentration of superstar players, and the rise of the three-point shot. In this new league, is it still possible for small market teams void of star talent to find success? These teams could look for answers in some surprising case studies of successful NBA teams that have employed more equitable distribution of their total payroll among their players. As a more equitable system makes sense on teams that lack superstars to command max contracts, the question becomes: is it worth it in the absence of a max player or max players to distribute payroll more equitably, or is it more prudent to throw greater amounts of money at more talented available players, building a team in a more traditional way? This thesis argues for the benefits of equitable payroll distribution, especially on small market teams unlikely to attract superstars.

ACKNOWLEDGEMENTS

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INTRODUCTION

“I’ll be taking my talents to South Beach.”

With those words, LeBron James set off a chain reaction throughout the NBA, shattering the landscape and shifting the balance of power forever as he left his hometown Cleveland Cavaliers for the star-studded lineup of the Miami Heat. Following a rocky start, the Heat would go on to win two consecutive championships in 2013 and 2014 and initiate a gold rush for superstar talent among teams hoping to compete, while other teams sought alternative answers in the form of three-point shooting and analytic roster construction. Still, however, superstars flock to high-potential markets to team up and create what they imagine to be the next NBA dynasty. But some teams have struggled to adapt to the changing times, and find themselves on the outside looking in, without star talent and without the means to draft future stars due to years of mismanagement. This paper will attempt to find solutions for teams hoping to rebuild and remain competitive, and seek answers through salary analysis and historical context.

In the modern NBA, that is, the past ten years, teams shying away from isolation play have begun to find surprising degrees of success. Superstars, at least in the traditional sense—players who dominate games, force defenses to change their strategies, and, importantly, earn more—tend to play with an isolation mentality, needing the ball in their hands early and often to generate offense themselves. Therefore, some recently successful, smaller-market teams like Golden State, Memphis, and San Antonio, have been those who have defined superstars differently, finding and valuing players who play well within a specific system instead of gravitating towards gaudy points per game numbers. Some of the worst teams of late have been those that have too many resources for their own good and pursue multiple isolation-type superstars. When it works, as it ostensibly did with Brooklyn’s accumulation of aging superstar

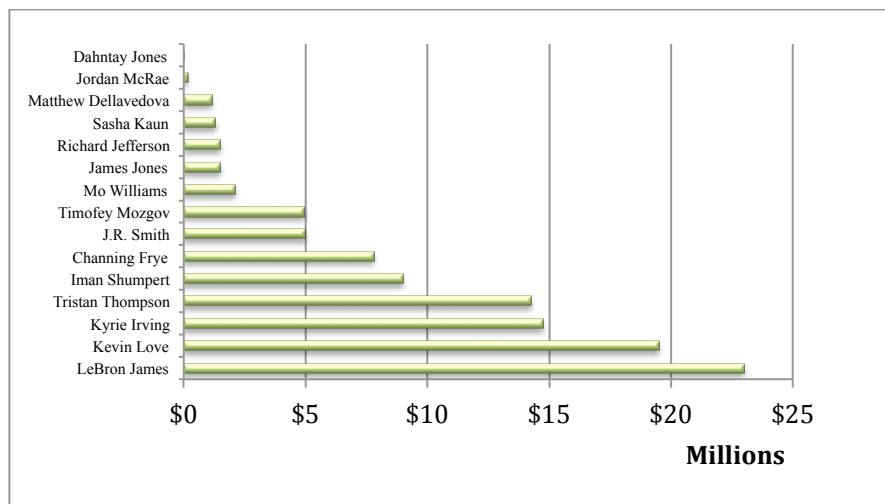
talent, the pieces often fail to match; when it fails, as it did in Dallas, the team wallows in mediocrity for years, still trying to add the missing piece instead of focusing on the future and the big picture.

Franchises must therefore understand how to avoid isolation superstars and also keep finances in check, making sure the right amounts of money are allocated to the right types of players. Tiered distribution, which many of the successful teams above have utilized at some point or another, could prove telling. Teams hoping to rebuild or restructure should look to this model because it also provides a blueprint for future success- it emphasizes shrewd draft decisions because these decisions become good young players on extremely affordable deals; moreover, the deals, by and large, fall in the same range, given the team drafts in the same range fairly routinely. It also emphasizes bench construction, as such a distribution cannot leave a wide gap in salary between the bench and the starters. Essentially, in a tiered distribution, every salary is closer to the mean, but bench players' are lower and starters' are higher. Therefore, tiered distributions tend to pay bench players more, meaning that, when properly valued, bench players on tiered teams are better players than otherwise.

No one payroll model offers an NBA franchise the answer to all its problems. In fact, the changing nature of NBA salary cap dynamics from year to year prevents such a myopic focus on payroll distribution. And in fact, no amount of financial maneuvering has managed to save teams unwilling to commit to a cohesive basketball strategy other than amassing star players. However, because of the curious overlap between tiered models, where they can be found, and successful, flexibly built teams, it seems likely that the tiered distribution can provide answers for teams left by the wayside in a rapidly changing league.

NBA PAYROLL MODELS

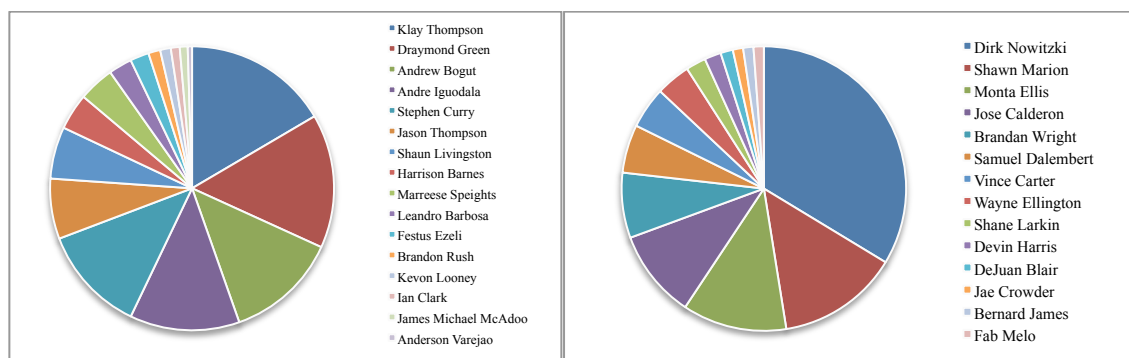
Following a careful examination of the past five years of NBA salary data, a few conclusions stand out. First of all, by far the most practiced model remains the traditional, more or less exponential curve. In the most traditional models, one player stands out above all others as the highest-paid; usually, this is also the established or long-term team leader and often the leading scorer. The 2015-16 Cleveland Cavaliers, a team that won the NBA Championship, exemplify a traditional model:



The final and more intermediate option for teams to consider, and one that some have put aspects of into practice, is the tiered model. In this payroll structure, a team's five starting players (or five or six heaviest minutes contributors) receive the highest degree of compensation, and each of these players receives a similar amount as the other players in his tier. Below this category falls the bench tier, made up of bench players who provide significant contributions on a fairly consistent basis and who average anywhere from 10 to 20 minutes per game of playing time. Again, these players' compensation falls significantly lower than that of the highest tier, but within the bench tier, player-to-player, pay remains relatively equitable. A kind of dual-tiered

model also exists among certain specific NBA teams, in which starters are paid relatively equitably and bench players are paid more traditionally, on a curve, but a clear jump in salary between the two groups exists. Finally, for teams utilizing the tiered model, the remainder of the roster can be filled out with minimum contracts and low minutes contributors. Important to bear in mind, though, as will be further elaborated upon, is the fallacy of creating a one-to-one correspondence between minutes per game or points per game contributions and salary, when in fact many aberrations exist.

The tiered model, due to its position between two extremes, seems the most likely model of equitable payroll distribution to observe. But beyond this, it also seems the most likely to correlate with team performance, in part due to the salary restrictions it systemically enforces. To construct an NBA team according to the parameters of the tiered model, a front office must set aside traditional notions of what a valuable player is and how much he is worth. A side-by-side comparison of the respective payrolls of the 2015-16 Golden State Warriors, a tiered team, and the 2013-14 Dallas Mavericks, a traditionally but cheaply constructed one-superstar team, helps to better illustrate the contrast between these two models. Visualizing the distribution as a pie graph also reveals the percentage of the team's total cap space allotted to each player, which helps to understand the different value systems employed by the competing models.



But back to the central question: does equitable payroll distribution actually have a proven effect on team performance? Academic research on that topic has returned a fairly resounding “no,” although said research tends to skew towards older studies of the NBA and thus fails to account for the recent massive increase in salaries and transition into a three-point league. Hajime Katayama and Hudan Nuch, for example, argue that pay equity remains far less consequential than outside observers might surmise; however, in making this argument, the two authors also split payroll inequality into two categories, conditional and justified. While conditional inequality has no observable effect, claims their article, justified inequality actually promotes better individual performance because of its competitive effects (Katayama, Nuch). When a bench player, for example, witnesses another bench player earn a significant contract and a larger role because of a particularly productive year shooting three-pointers, it arguably drives that player to improve aspects of his own game in an attempt to receive his own raise.

Therefore, a tiered model may actually do away with conditional, or unexpected inequality, while still promoting justified inequality, improving individual performances and thus improving team performance. Justified inequality between starters and bench players (and even further bench divisions on some teams) keeps rookies and lesser-known players working for higher salaries, but in theory, less conditional inequality exists within tiers and thus less salary jealousy exists between several “top dog” types of players.

Furthermore, many of these studies on NBA payroll inequality come from an economics background and concern themselves mainly with hard data. However, professional basketball, in no small part due to the relatively low number of players on each team, remains a very human game, and a very difficult game to reduce completely to numerical figures. According to Nate Silver, “What is statistically significant in basketball is often not practically significant,” and, in

a similar line of reasoning, what is statistically insignificant, in this case payroll equality as a means to increase team performance, may actually be quite telling (Silver). Even if statistically, payroll inequality has no effect on individual or team performance, in the real NBA, it is an issue that players wrestle with. Monta Ellis almost certainly resented the fact that Chandler Parsons commanded a higher salary when both were members of the Dallas Mavericks (Gomez). From a pure numbers standpoint, understanding the effects of hypothetical models of payroll equality remains somewhat futile. Historical factors, the personalities of general managers and coaches, player chemistry—these are the details that must be analyzed alongside the raw data to answer the question of whether or not equitable pay, in some small way, contributes to team performance. That being said, it remains impossible to completely discount such an apparent widespread academic consensus with regards to payroll inequality. With this in mind, the next section of this thesis will study, on a team-by team basis, both the full history and recent (five year) salary history of successful teams that have at times utilized tiered salary models. While I will discuss each team's playoff performance, statistically I will be drawing almost exclusively from regular season games due to the larger sample size and consistent availability of data across the league. Finally, each of these case studies will attempt to understand how the changing landscape of the NBA has affected team construction strategies, and how tiered models could prove beneficial in the modern NBA regardless of how pay equity directly affects team performance.

THE AGE OF THE SUPERTEAM

The NBA began to evolve into its current form ten years ago during the summer of 2007 when the Boston Celtics, headed by general manager Danny Ainge, swung two blockbuster deals with Seattle and Minnesota to pair longtime Celtic Paul Pierce with All-Stars Ray Allen and Kevin Garnett. Dubbed the “Big Three” by the media, the trio would lead the Celtics to their first title since the days of Larry Bird the following summer (Thomsen). Winning this title by defeating the Los Angeles Lakers, winners of three titles in the early 2000’s and a perennial powerhouse, firmly validated Boston’s strategy of accumulating superstars in their prime. Most importantly, Boston’s moves began to inspire many of the league’s younger superstars, many of whom had known each other for years and formed steadfast friendships, to contemplate teaming up in glamorous locales. A mere three summers later, LeBron James and Chris Bosh left to join Dwyane Wade in Miami.

The key difference between Miami and Boston’s superteams was the fact that James was arguably the most talented player in the league, and the top player besides Kobe Bryant from an advertising and cultural standpoint (Thomsen). While Boston assembled a big three of talented names, Miami established a big three of the biggest names in basketball at the time, with the added element that James and Wade were also known to be good friends. It was a splashier, flashier move on Miami and James’ parts, and resonated well with the changing dynamics of the sports and media industries at the time. “I’ll be taking my talents to South Beach” carried far greater implications than just establishing where an athlete would play the following season; this phrase changed the game.

But after James uttered those infamous words, even more teams and players in the league became inordinately preoccupied with finding ways to build multi-superstar teams, while outliers

sought less conventional ways to best Miami. But the 2012 NBA Finals solidified the notion, at least for a time, that for an NBA team to find success, it must possess at minimum two superstars: James, Wade, Bosh, and Miami clashed with another trio of stars in Kevin Durant, Russell Westbrook, and James Harden of the Oklahoma City Thunder. Though the Thunder would go on to lose the series 4-1, this was chalked up to their youth and inexperience. Even the next non-Miami champion, the San Antonio Spurs, who featured the aging but talented trio of Tim Duncan, Tony Parker, and Manu Ginóbili, seemed to validate the emerging consensus affirming superstar pursuit.

Simultaneously, an underground movement began developing in the front offices of teams hoping to unseat these behemoths for NBA supremacy. Analytics rose to the forefront, and front offices begin to explore alternative ways to build teams that might prove brainy enough for the brawn in Miami and Oklahoma City, as well as the supposed emerging threats of the Clippers and Nets. The Spurs, with their unconventional roster, made up of positionless veterans and international role players, and their intelligent style of play, influenced these teams as well. The lockout that shortened the 2011-12 NBA season and the ensuing collective bargaining agreement attempted to solve the problem of superstars teaming up in desirable new locations by allowing a player's original team to offer an additional year, and thus more guaranteed money, on future contracts, but this failed to slow the tide considerably. Not all teams reacted as well as others to these rapid changes, however. Aside from some more traditional superstar-driven teams, however, one thing that some more shocking success stories share in common is their intermittent employment of tiered salary distributions. And of these, none stands out more in terms of sheer success than the Golden State Warriors.

THE GOLDEN STATE WARRIORS

In the history of the modern NBA, few teams have experienced the same kind of meteoric rise, the same kind of sustained success, and struck into opponents the same sheer terror as the Golden State Warriors have lately. While only time will settle modern-day arguments about this team's place among the historically great ones, there is no argument to be had regarding its tremendous success over the past five years and its potential for even more future success. Led by a dynamic young guard in Stephen Curry and a supporting cast of lights-out three-point shooters, this West Coast upstart represents the greatest success story for the changing NBA. The threes fly with reckless abandon, but the rate at which they find the bottom of the net justifies their liberal use. Defining the team's star players remains difficult, in part because outside of Curry, any number of role players could score 20 points or more in a given game. As such, Warriors also serve as a good team for payroll examination, given their focus on contribution from every man on the bench and a likely reflection of this on their salary numbers.

The fact that the Golden State Warriors would be seen as the shining example to the rest of the NBA would have been thought laughable a mere ten years ago; however, due to a combination of smart draft choices, innovative player management, and a few fortuitous bounces, they now find themselves imitated by more teams with every new win and at the forefront of the so-called "Three Point Revolution." During their record-setting 2015-16 season, they led the league with 2,592 three-point field goal attempts. Behind them were twelve other teams that also attempted more than 2,000 threes. Compare this to the situation in 2011, when the Orlando Magic led the league with 2,103 attempts, and the other team to shoot more than 2,000 was the New York Knicks with 2,081. Clearly, the league has been trending towards

greater reliance on the three point shot, in no small part due to the success the Warriors began to have with this strategy as Steph Curry evolved into the team's star player. Because, as it bears noting, though many teams are shooting more threes than ever, few are making nearly as many as the Warriors. The Warriors converted 48.7 percent of their threes last year; the Houston Rockets, though they were second in the league with 2,533 attempts, only made 34.7 percent, good for 19th in the league. In fact, last year's Warriors are the only team to have ever eclipsed the 40 percent mark while also attempting more than 2,000 three pointers.

Therefore, Golden State's success has largely been based in its historically great ability to shoot three pointers. But another element has been crucial to the Warriors' recent success: the way in which they offer certain types of contracts to certain types of players. Much of this stems from the same reliance on the three that has seen the team accomplish so much; Golden State attaches significantly more value to three point shooting ability than teams traditionally did. Some, however, comes from a seemingly different notion that a team should be constructed more equitably. Much of owner Joe Lacob and general manager Bob Myers' team-building philosophies, since they fully took over control of the team in 2011, have focused on avoiding the bloated contracts for average players that plagued the team in the past and replacing them with smaller contracts for players who either bring more youth, shooting, or defense to the team (Harper). He has also focused on creating a more "positionless" team, built around similarly sized players who have well-developed universal skills like ball handling, outside shooting, one-on-one defense, and passing (Harper). Arguably, no GM has been more successful at quickly implementing a strategy than Myers, as in a mere four years, he was able to take a perennial playoff no-show to the NBA Championship. The future looks even brighter, possibly, if new addition Kevin Durant can find a role within the Warriors' fast-paced, pass-heavy system.

What do the payroll statistics of this new system look like, though? Remarkably, Golden State's payroll distribution, at least prior to the 2016 cap increase and the arrival of Durant from Oklahoma City, has been more or less tiered over the past few seasons, with most of the available salary being split proportionally between roughly two or three groups of players. Furthermore, until the addition of Durant, over the past five years, the team visibly moved from a more traditional salary distribution towards a more tiered one. Though the distributions do not all resemble a perfectly tiered system, more than any other team during the past five years, the Warriors have remained incredibly consistent in keeping to this model while still undoubtedly evidencing the value of superstars in the modern NBA.

To get a better sense of how the Warriors have managed their salary numbers, a fuller understanding of the starkly contrasting states of the franchise prior to and following Lacob's purchase is helpful. Since moving to the Bay Area in 1962, the Warriors had enjoyed modest success, even winning the NBA Championship in 1975. Following a brief downturn in the early 1980's, the 1990's started off promisingly enough with innovative head coach Don Nelson at the helm of a team lead by talented young players like Latrell Sprewell and Chris Webber. However, personal tensions began to develop between these three individuals, and by the next season, only Sprewell remained. However, his talent never outweighed his off-the-court antics, and following an infamous December 1997 incident in which he choked head coach P.J. Carlesimo during practice, he was suspended indefinitely and later traded to the New York Knicks in 1999.

At around the same time, Garry St. Jean was hired as general manager, and the personnel decisions he was responsible for contributed to a culture of mediocrity that plagued the team throughout most of the 2000's. His poor draft decisions and his tendency to overpay for middling talent, for example, were cited by commentators and fans alike as two of his most

glaring flaws; when in 2002 the Warriors finally succeeded in drafting two young players with potential in Jason Richardson and Gilbert Arenas, the money St. Jean had previously committed to lesser talents like Erick Dampier and Danny Fortson prevented the team from being able to resign him. The notable bright spot in this troubled period for the organization came in 2007 when, following St. Jean's departure, the team re-hired Don Nelson as coach and filled the roster with younger, less established, and more athletic players. This team, still popularly known as the "We Believe" team, made it into the playoffs on the heels of a 16-5 push to end the regular season and upset the top-seeded Dallas Mavericks in the first round. Though they went on to lose in the second round, optimism surrounded the team and brighter days seemed ahead. However, the team could not sustain the kind of success it had found the previous season, and by 2010, this team, too, had been largely dismantled, its promising stars replaced again with past-their-prime veterans on bloated contracts like Corey Maggette, precipitating the regime change that so dramatically altered the franchise's fortunes.

Of Lacob's initial moves, one of the most surprising was his decision to keep then-general manager Larry Riley in his current position. But behind the scenes, Lacob had an interesting rationale: based on Celtics GM Danny Ainge's recommendation, he had hired young and unproven Bob Myers as assistant GM with the intention of grooming him into the future GM within a couple of years (Kawakami). Therefore, from the very outset, Lacob deliberately injected the Warriors organization with a countercultural atmosphere, filling its ranks with a unique blend of NBA outsiders and insiders and, at a time when conventional wisdom would have told him to go after a superstar, he shied away from these types of players to begin creating a new kind of team.

This was not necessarily because he saw this avenue as the only way to build a successful team, but simply because the circumstances called for it; in a 2010 interview published shortly after he bought the Warriors, Lacob was quick to defend himself against grumblings that he may avoid superstar pursuit altogether, a strategy that at the time would have been unthinkable, citing his previous experience in Boston: “If we get a chance to make a great move that is of a Kevin Garnett variety, we’ll do it” (Kawakami). He went on to elaborate at length about how though he was good friends with and inspired by fellow Oakland sports iconoclast, Athletics GM Billy Beane, “basketball...is not baseball” and “you have to have a couple of great players” to achieve any kind of long-term success (Kawakami). Implied in his response is a fairly standard belief that talent and salary are necessarily correlated, which is a flawed but best-of-all-possible-worlds mentality that, perhaps intentionally or perhaps not, his regime was able to avoid for longer than most.

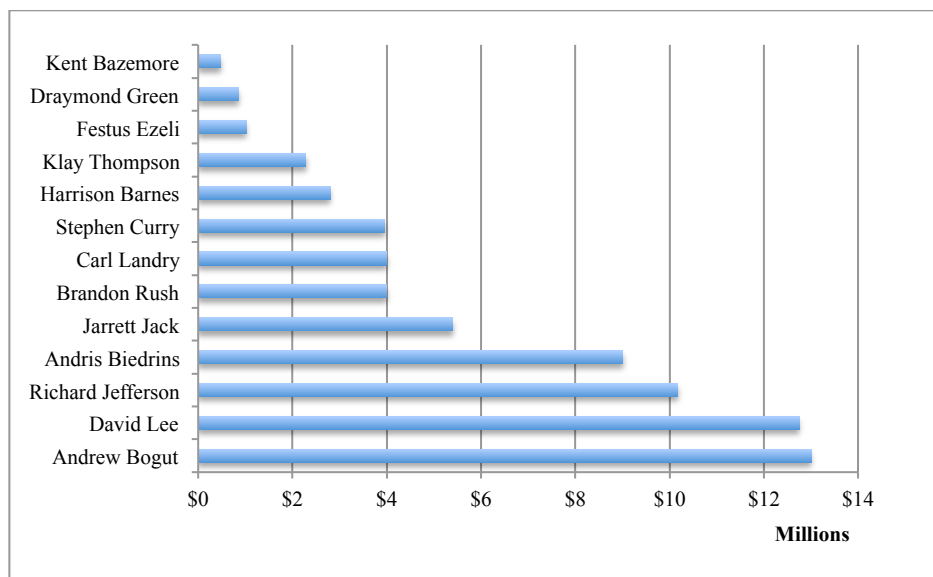
In the same interview, Lacob also mentions his fondness for the team’s then-leading scorer, lightning-fast guard Monta Ellis, whom he ranks as one of the team’s aforementioned “couple of great players” (Kawakami). However, the first blockbuster move of the new Lacob-Myers front office was a trade that shipped the human highlight reel and fan favorite to Milwaukee for an unassuming, injury-prone, and defensive-minded center in Andrew Bogut. Though widely panned at the time, many commentators now see the trade as the move that allowed for the rise of the Warriors’ current incarnation in three distinct ways. First and foremost, it allowed Stephen Curry, at the time an unproven but intriguing young player, to assume his current role as the leading scorer and face of the team. Another consequence of the trade was that in sending away Ellis, a shooting guard, it opened up a starting spot for rookie

Klay Thompson, the second half of the now-famous Splash Brothers duo, as many in the sports media have dubbed the two.

A third and less-discussed consequence of the trade, however, was its overt promotion of the ideology behind it, not only in the Warriors organization, but also throughout the entire NBA. For what Lacob and Myers rejected when they traded Ellis was not the idea of a superstar-driven team, but the idea of an isolation-driven offense. Though these two often go hand-in-hand, the Warriors brass was perceptive enough to realize that the superstar they sought was in fact Curry—the bird in their hand worth two in the bush. Furthermore, Curry, though by every modern definition a superstar, remains one of the most unique superstars the NBA has ever produced, due to his historic ability to knock down three-pointers from practically any distance. As such, Lacob and Myers correctly assessed that relying on Curry as a source of points and as a team leader would have none of the ill effects generated by an isolation-heavy system as his shooting, passing, and dribbling skills would translate well to a more positionless offense, characterized by repeated, quick, and precise ball movement to generate open three-point looks and layups—statistically the most valuable shots available. By committing to Curry as the face of the team, the new regime implicitly endorsed this kind of anti-isolation mentality. And by pairing him with a rookie spot-up shooter in Thompson instead of a more highly paid veteran isolation scorer in Ellis, Lacob immediately demonstrated a much greater understanding of both NBA offensive strategy and salary cap logistics.

Much of the Warriors' tiered salary distribution can therefore be traced back to how reliant on drafted talent (most often drafted talent with better-than-average three-point shooting abilities) Lacob's new strategy was. Unlike some other recent teams that have had more equitable payroll distribution but have focused on giving unproven but talented players in their

mid 20's contracts in the \$8 million range, the Warriors focused on rookies who commanded far less in terms of salary and, due to their youth, could also be molded and taught to suit a specific system. As such, another pivotal moment in the organization's turnaround came during the 2012 draft. With the 7th overall pick in this draft, the Warriors selected forward Harrison Barnes, but also located steals later in the draft, selecting center Festus Ezeli 30th overall and the overlooked and positionless, though extremely athletic and energetic Draymond Green 35th overall. By the beginning of the 2012-13 season, the foundation for the Warriors' current, wildly successful incarnation had been essentially set.



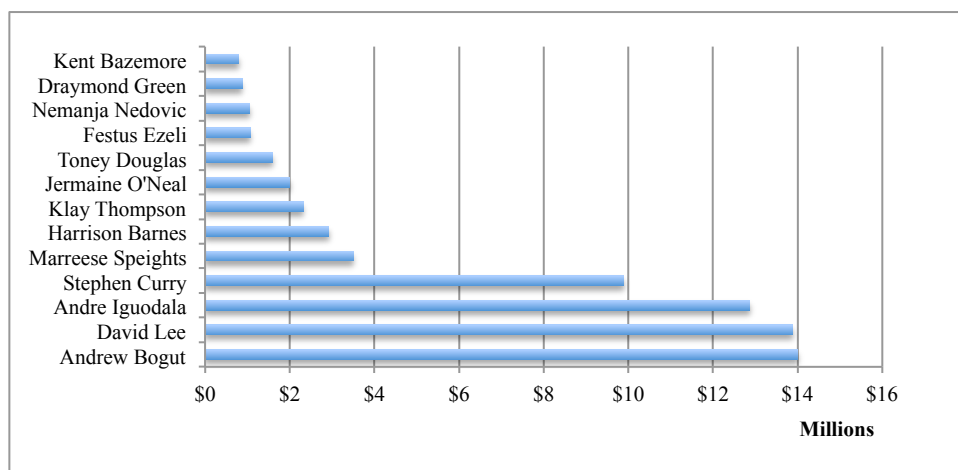
2012-13 Season

A look at this foundation reveals an interesting salary distribution, at this point still fairly traditional, though the significant jump between Jarrett Jack and Andris Biedriņš could arguably indicate a top tier. However, the highest paid players on this team were all already established presences in the league at the time, the exact kind of average talents with fairly sizable contracts that had long held the team back, Richard Jefferson and Biedriņš most obviously. Jefferson had come to the team as a consequence of the Ellis-Bogut trade, still on the widely criticized four-

year, \$39 million deal he had signed with the Spurs in 2010, while Biedriņš was a remnant from the previous regime, a once-promising Latvian prospect that the Warriors had drafted 11th overall in 2004 and later re-signed on a six-year, \$54 million deal following what retrospectively appears to be an abnormally productive 2006-07 season (O’Brien, Curtis). Both players and their contracts would be gone by the next season, however, demonstrating the shift in team-building logic the Warriors organization had recently undergone. Lee and Bogut, by contrast, would remain key contributors to the Warriors up until the team’s championship run in 2015, but eventually share their highest tier with the team’s future stars.

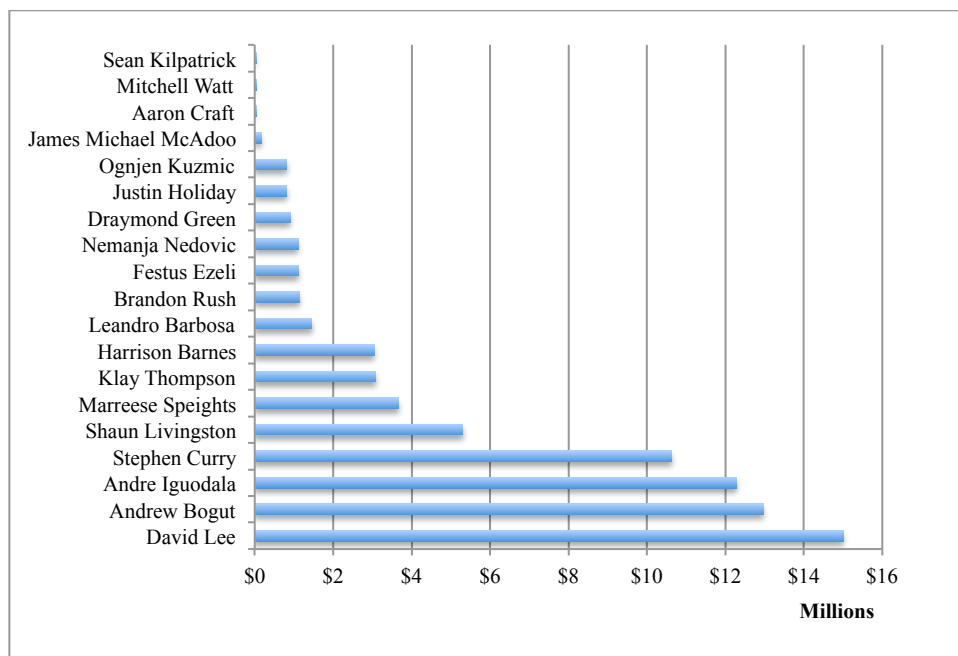
The bottom end of the distribution reveals some more eye-catching names, at least to recent observers of the Warriors and the NBA at large: Draymond Green, Stephen Curry, Klay Thompson—all on cheap rookie deals. While this isn’t surprising, this cluster of salaries, all in the same general range, would carry over into future seasons, and though each player’s salary grew roughly proportionally, Green, Curry, and Thompson, arguably the three star players of Golden State’s championship run in 2015 and near-miss in 2016, would remain clustered in a “star” tier of sorts.

A quick fast-forward one year into the future demonstrates clear evidence of this shift:



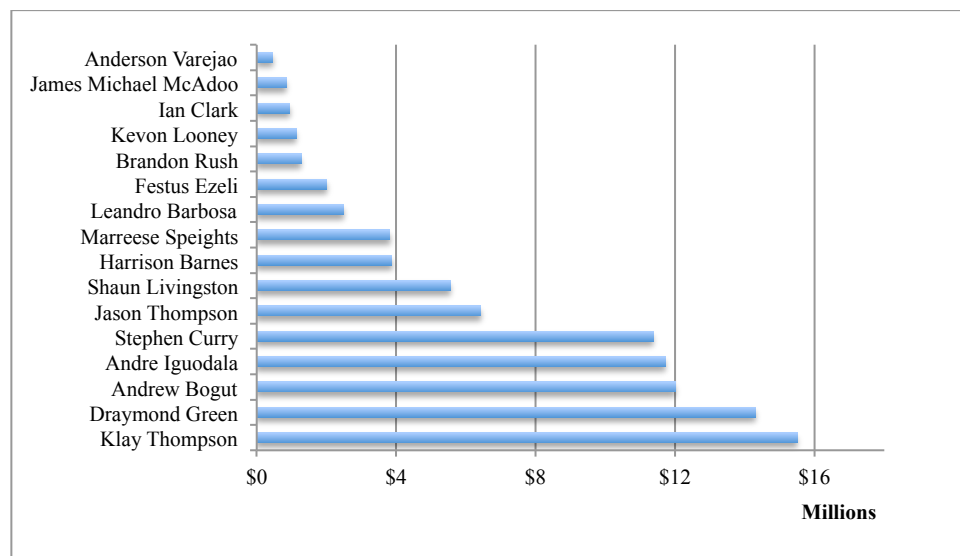
2013-14 Season

At this stage, Stephen Curry signed his first big NBA contract, an extension with the Warriors for four years and \$44 million, which many commentators saw as a risky move on the Warriors' part at the time. Curry's previous season had been plagued by ankle injuries and committing \$11 million a year to a player with a fairly extensive injury history seemed questionable, but the Warriors' brass had committed to Curry long before the extension and were confident that he could in fact remain healthy (Howard-Cooper). This, coupled with trade that sent Biedriņš and Jefferson to Utah to clear cap room used to sign Andre Iguodala, created a clear, two-tiered distribution, with heavier minutes contributors receiving the bulk of the team's available salary, and the team's bench comprising a much lower paid second tier. The 2014-15 championship team retains this split, though each tier begins to itself show patterns similar to a traditional distribution, partially owing to the fact that, as title contenders tend to do, this Warriors team picked up a comparatively much larger number of minimum contract players who played few minutes than previous incarnations had.



2014-15 Season

The same clear drop-off in salary is visible in the graph for the 2015-16 Warriors as well:



2015-16 Season

The 2015-16 Warriors are notable for a few reasons. They hold the record for most wins by a team in an NBA regular season with 73, beating out Jordan's 72-win Bulls team from 1996. They thus bear the dubious distinction of also being the winningest team to not win a championship, with the added insult of having squandered a 3-1 series lead to the Cleveland Cavaliers in the 2016 NBA Finals. But from a salary standpoint, they are also far and away this past season's best model for the tiered salary distribution system. Perhaps somewhat surprisingly, it is Thompson, not Curry, who leads the team with a salary of \$15,500,000; behind Thompson are the other heaviest contributors to the team: Green, Bogut, Iguodala, and Curry, who, again surprisingly, is the lowest-paid member of the highest salary tier. Aside from Iguodala, the five members of the highest salary tier also play the most minutes (6th place Iguodala's replacement on the minutes list is Harrison Barnes, who was then on his rookie deal with the team). All five of these players' salaries fall between 10 million and 16 million per year, which means that for this particular season, Golden State, though it had a superstar in Curry, did not have a max contract player. Like the previous few seasons, a clear gap in salary exists

between Curry, the lowest-paid member of the highest-paid tier, and Jason Thompson, the highest-paid bench contributor.

In short, the Warriors' explicit team-building strategy has focused on a specific kind of offensive system and officially puts little stock in keeping to any specific salary distribution model. Furthermore, the masterminds behind Golden State's remarkable turnaround have long maintained their affinity for pursuing worthwhile and legitimate superstars, though they have preferred to draft their own talent rather than pay for developed talent. That being said, however, the kinds of players needed for this system and the contracts they tend to command lend themselves well to a tiered model. In addition, there does appear to be a clear distinction in management's view between different tiers of players, and, more or less, the top four or five contributors in minutes played have been in the highest salary tier.

All of this makes it even more surprising that of all the aspects of the Golden State Warriors that other teams have so prominently imitated of late, relatively few teams have experimented with such a distribution system while so many teams continue shoot themselves out of games trying to match the Warriors' blistering three-point shooters. The Warriors, therefore, as a successful team with relatively tiered salary distribution, best demonstrate the link that other teams could exploit between the NBA's so-called three-point revolution and such a tiered system. In order to successfully imitate the Warriors and experience even similar success, however, teams would have to arrive at a tiered distribution primarily through heavy valuation of rookie contracts, cheap and younger bench talent, and the personal deferment of team leaders to a general philosophy.

THE MEMPHIS GRIZZLIES

“Basketball purgatory,” a term that NBA beat writers and analysts have long thrown around, refers to the notion that some teams, though they regularly make the playoffs, sign and draft talented and respected players, and garner league-wide attention, more or less find themselves without much hope for upward mobility. These teams must cope with the additional burden placed upon them by their own proclivity for playoff basketball—playoff teams tend to have lower, and consequently less valuable draft picks. As such, teams in purgatory must either dedicate themselves to scouting talented players available with the 15th draft pick or lower, or focus on building through free agency. For many players and teams, basketball purgatory represents the worst possible scenario: no rosy long-term future prospects and no real opportunities at present-day championship contention. But for some small market clubs, the mere chance at contention such an existence guarantees represents a great success. This said, perhaps no NBA team over the past ten years has exploited their time in basketball purgatory better than the Memphis Grizzlies.

Since they assembled their core of Marc Gasol, Zach Randolph, Tony Allen, and Mike Conley, the Grizzlies have been a remarkable model of consistency, gritting and grinding their way through the regular season and managing to find a playoff berth in every season since 2011. If the Warriors have been defined by their immaculate three-point shooting, then the Grizzlies have been their Western Conference foil, emphasizing defense and a slow pace to wear their opponents down over the course of a game. Dubbed “grit-and-grind” by local writers and inspired by an Allen quote, this style of play has seen Memphis routinely fall in the bottom third of the league in terms of points per game and three-point shooting percentage, both considered

metrics of success in an increasingly analytics-driven league. However, what appears to be mediocre offense actually belies an effective strategy that revolves around dictating pace. By purposefully slowing the game down on offense and playing aggressive defense, the Grizzlies have proven themselves able to also hamstring their opponents' scoring, and the only stats lower than their own scoring numbers are usually their opponents'. Over the past five years, the Warriors' astronomical points per game averages and shooting percentages have enthralled observers, but equally impressive are Memphis' points allowed per game averages. Since 2010, the Grizzlies have allowed a mere 95.1 points per game, including a ridiculously low 89.3 during the 2012-13 season, compared to the league average of 99.6 during this timespan. Essentially, the Grizzlies have gambled that by sacrificing scoring, they might be able to slow down their opponents, and for a small market team with such limited previous success, the gamble has paid off handsomely.

Furthermore, Memphis remains one of the last bastions of a dominant post game in the modern NBA, with Gasol and Randolph, when both have been healthy simultaneously, forming one of the hardest-to-defend frontcourts in the NBA, characterized by their size, ability to shoot well both inside and out, and their underrated passing skills. As more and more teams have begun to emphasize three point shooting, Memphis has remained steadfast in its commitment to post play, choosing to play with a more traditional inside-out style, where offense is initiated in the post by big men and a good outside shooter or two remains on the perimeter for any kick-outs. While Randolph and Gasol could both be classified as stretch bigs for their ability to shoot well from outside, this is more a testament to their versatility and adaptability in the changing NBA, and neither has made three-point shooting an indispensable part of their game. This focus on post play carries over to the bench too, where the Grizzlies have further eschewed shooting

and spent free agency dollars and draft picks on bigs such as JaMychal Green and Brandan Wright.

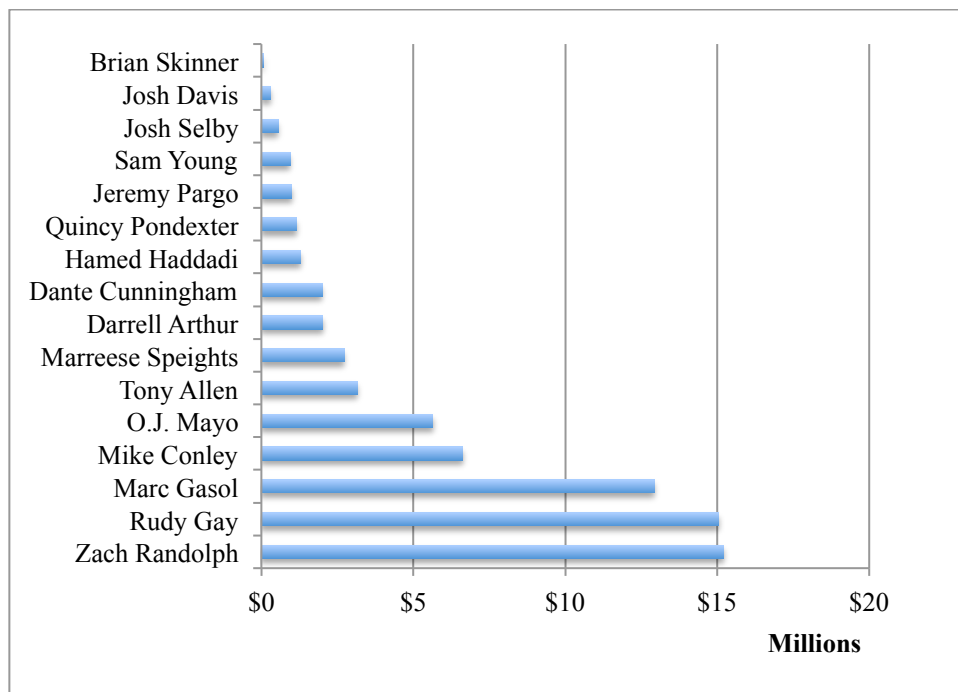
However, while Golden State remains a team on the rise, this Memphis team has arguably seen its best days pass. The team recently signed versatile forward Chandler Parsons in an attempt to get younger, but he is already 28, and, coupled with the fact that Memphis' team identity revolves around its grit-and-grind veterans like Gasol (32), Randolph (35) and Tony Allen (35), this team's time in the spotlight appears to be limited unless it can acquire even younger talent soon.

Despite Memphis' limited outlook, however, over the past five seasons, the team has been a perennial Western Conference playoff contender, and has performed well in the playoffs despite often holding the lower seed, emerging as one of the top challengers to the Spurs and Thunder for conference superiority in the early 2010's. Though the Grizzlies have yet to win a conference or NBA championship, their consistent ability to win with an unconventional playing style, coupled with their small market success and their tiered payrolls, makes them a good candidate for this case study.

Like the Warriors, the Grizzlies represent an unlikely success story, and the team's success speaks to the shrewd front office moves that precipitated it. The Grizzlies began their existence as the Vancouver Grizzlies in 1995 as part of the NBA's expansion into Canada. However, enthusiasm for the team quickly waned as it struggled out of the gate, finishing with a 15-67 record in its first season of play. Following seasons brought limited success and financial instability, causing the team to relocate to Memphis prior to the 2001-02 season. In Memphis, the team went through several years of on-and-off play before several high draft picks netted them regular contributors in Mike Conley, O.J. Mayo, and Rudy Gay. Further bolstering their team

was the 2007 trade that sent Pau Gasol to the Los Angeles Lakers in exchange for his younger brother Marc.

The Grizzlies notched one of the biggest upsets in NBA history in the 2011 playoffs when, as the 8 seed, they shocked the 1 seed San Antonio Spurs in a thrilling series that saw Zach Randolph outplay his legendary counterpart, Tim Duncan, and establish himself as a force to be reckoned with in the playoffs for years to come. Memphis would later push the Kevin Durant and Russell Westbrook-led Oklahoma City Thunder to seven games as well before eventually bowing out of the playoffs, but not without making a statement. The Grizzlies, despite playing with an offensive style dismissed as “boring,” the Memphis Grizzlies were now prominently on the NBA map (Warner).

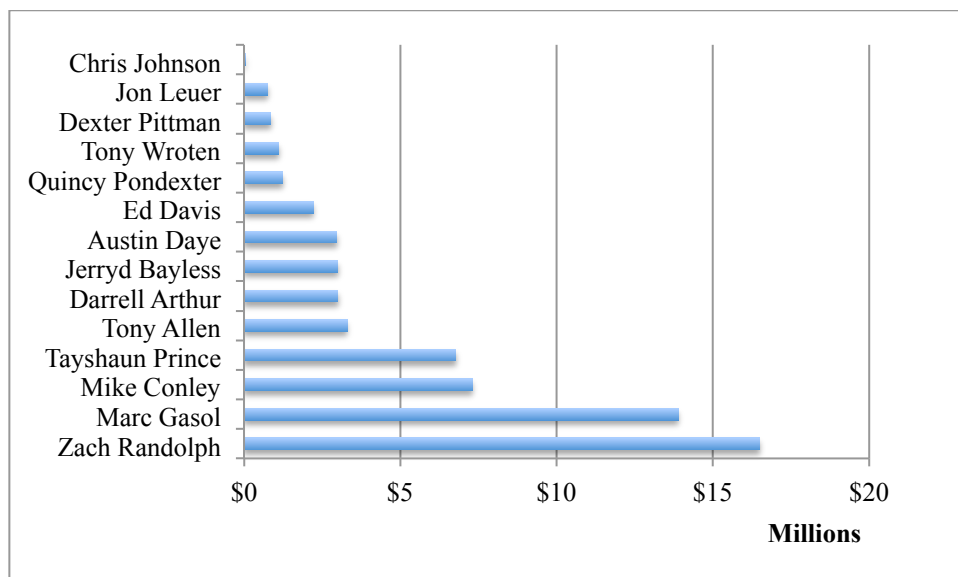


2010-11 Season

The salary distribution graph for the first incarnation of the Grit and Grind Grizzlies reveals, much like the Warriors, a fairly tiered system. Gasol, Gay, and Randolph occupy the top

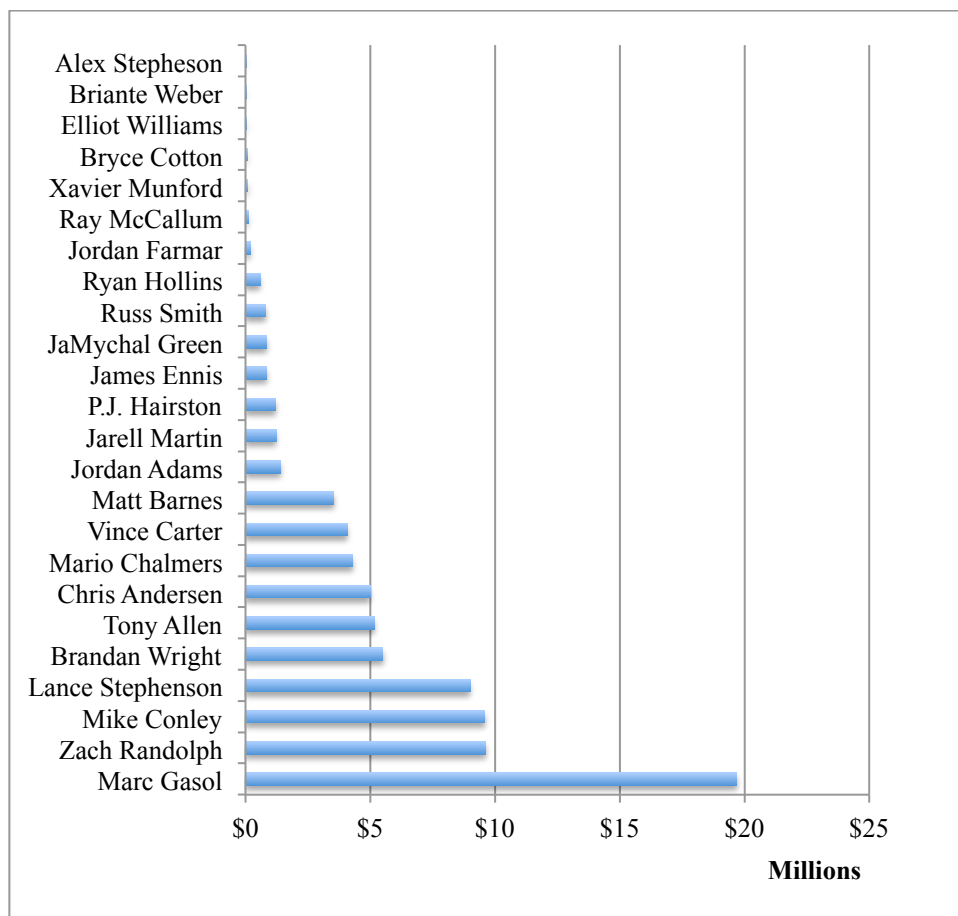
spots, but all have similarly high salaries and make up a star tier of sorts. Below them are two other heavy minutes contributors in O.J. Mayo and Mike Conley; Tony Allen, though he falls into the bench tier, began to supplant Mayo in the starting lineup during this season. This graph also reveals the very important fact that Memphis never established any one player as a superstar, and never paid any player as such. This makeup would go on to define the team for the next five years, with the team taking more of a collective and opportunistic approach to scoring that aligns well with their general philosophy. Memphis, thus, serves as a prime example of the success that can come with tiered salary distributions, since the Grizzlies, in shunning both superstar pursuit *and* isolation basketball, have largely been able to keep their core of veterans together and pay them in tiers while also paying them according to their market value, at least until the cap jump of 2016.

After their surprising 2011 playoff run, Memphis continued its winning ways, largely with the same cast of characters, but with the notable lack of Rudy Gay or O.J. Mayo:



2011-12 Season

Like the Warriors, Memphis has been an identity team, defined less by its players than by their style of play. Also like the Warriors, the Grizzlies' front office has, over the past five years, deliberately built their team around this slow-paced, defensive-minded identity. No pair of moves speaks better to this than the decision to trade Gay and the decision to let Mayo walk away in free agency. Both were former high draft picks who, at times, had been hailed as franchise saviors because of their strong isolation play, which, as previously described, often appears reminiscent of superstar ability. But, due to the success of Grit and Grind in the 2011 playoffs, the Memphis brass wisely realized that to consistently win with Memphis' small market and the system already installed, isolation wing scoring no longer counted as a priority. Mayo was the first casualty and the easiest to justify due to his growing reputation around the league as a draft bust, and Memphis let him leave for the Dallas Mavericks in the summer of 2012 (MacMahon). Gay was traded to the Raptors on December 2012, but his fate had been sealed years earlier when a left shoulder subluxation kept him sidelined for the end of the regular season and the playoff run that gave birth to the Grizzlies' new identity. Still, the Grizzlies front office made the move largely out of necessity, as the new CBA, coupled with Memphis' status as a small-market franchise, made it less likely that they could go over the salary cap to re-sign the now-expendable Gay (Stein).



2015-16 Season

During the 2015-16 season, the Grizzlies' payroll distribution began to look even more tiered, with the one outlier being Marc Gasol, who recently cashed in on a payday anticipating the 2016 cap jump. This speaks to the fact that at times, even the teams most dedicated to equity on the court can find themselves in situations where maintaining a certain type of distribution becomes impossible and unnecessary. However, the segmentation still reveals Memphis' desire to construct a team based around a shared identity and to allocate financial resources to defensive-minded, physically larger players, moves that have kept the unconventional team at least somewhat competitive in a congested Western Conference for several years.

BROOKLYN NETS

If, in hyperbolic terms, the Golden State Warriors represent the ultimate success of the new model of team building, then in similar terms, the Brooklyn Nets represent the demise of the old model. Like the Rockets, with their of-yet unsuccessful attempt to duplicate Golden State's three-point shooting focus, the Nets have, over the past five years, attempted to duplicate Miami's once-groundbreaking superstar triumvirate. However, the Rockets have remained relevant playoff contenders, even though their shooting numbers do not seem to justify their commitment to their strategy. The Nets, on the other hand, have gone from the bottom of the league, to a brief stint of relevancy, back to the bottom of the league. Furthermore, the Nets have been unable to reap any of the traditional benefits of being bad; to assemble their superteam, Brooklyn's front office traded away multiple high first round draft picks, and as such, Brooklyn's 2015-16 and 2016-17 teams, though they were bottom-five outfits, did not have the corresponding draft picks to try and improve via an infusion of young talent. Unfortunately, this trend will not be coming to an end soon enough, as the Nets still owe their projected first overall pick this year to the Boston Celtics, a team whose current good fortunes remain inextricably tied to Brooklyn's misfortunes.

The Nets' strategy was viewed as a gamble from the outset, and it was not lost on most analysts just how many future assets the team was willing to mortgage in order to trade for aging superstars like Kevin Garnett and Paul Pierce, as well as lesser star talent like Joe Johnson and Gerald Wallace. A look at the chart below helps to visualize the wager more effectively, showing Brooklyn's record over the past five years, their corresponding draft picks, and where those picks ended up being used.

Adding further intrigue to the curious case of the Nets is their solid and undisputed status as a large market team and the rebranding effort put into place almost concurrently with their superteam's assembly. A very large number of people desperately wanted, and still want, the Nets to contend, so much so that management perhaps felt an even greater degree of pressure to bring the experiment to a swift and successful conclusion. However, this was not to be, and the Nets, instead of serving as a case study for the benefits of throwing caution and money to the wind, now bear the dubious distinction of serving as a case study for the opposite. Above all, Brooklyn's plight can teach other teams about the value of valuation: most of the team's recent franchise-altering decisions have failed because they misplaced players' value, usually due to conventional wisdom.

To have a tiered system, one group of players must be paid more than the next, and within a group of players, salary needs to be roughly equivalent. At face value, then, it would seem the Nets could have easily implemented such a system when they committed to assembling an all-superstar starting lineup. Of course, this could only work in theory. The reality of the situation is that for this to happen, each of the Nets' five superstars would have had to leave large amounts of money on the table and commit to the team long-term, and "long-term" fails to hold much water when players pushing 40 like Pierce and Garnett are the new franchise cornerstones. Again, the Nets' failure comes down to misplaced value, and a great deal of this misplaced value arguably comes from Brooklyn's owner, Mikhail Prokhorov, and team ownership's quest to finally make the Nets *the* star-studded, living, breathing image of New York City. To do this, they focused on the historical superstar, and wagered that with talent, more is always better.

The history of the Nets and their long struggle to find success as a large-market team helps to better explain what has transpired with the franchise within the past decade. The Nets

came into existence as a founding member the now-defunct American Basketball Association in 1967. Originally called the New York Americans, the team spent its infancy moving back and forth between New York and New Jersey arenas, before finding a home on Long Island and changing the franchise name to the New York Nets. Although numerous problems such as middling attendance, arena issues, and a lack of quality talent plagued the team during their first few seasons of ABA play, fortunes quickly turned as the team was able to acquire Rick Barry and advance to the ABA Finals for the first time in 1972. Even brighter days came when, during the 1973-74 season, the Nets acquired Julius Erving from the Virginia Squires and captured their first ABA championship that year. With Erving at the helm, the team continued to find success in the ABA, winning another championship in 1976.

However, in the summer of 1976, the ABA merged with the NBA. Although this came as no surprise to the Nets, and the franchise had in fact already applied to join the NBA the previous year, once the merger was finalized, the league forced the Nets to pay \$4.8 million to the New York Knicks due to their competing presence in the New York market. Without enough financial flexibility to pay this fee and grant Erving a promised pay raise, the team begrudgingly traded him to the Philadelphia 76ers for \$3 million. For the next several seasons, the team performed understandably poorly, and in 1977, owner Roy Boe moved the team back to New Jersey in search of a better situation, though the Knicks fought this move too (Goldaper, Harris).

During the 1980's, the team experienced several hopeful starts that quickly devolved into nightmares, largely due to injuries to key players such as center Darryl Dawkins and to poor draft decisions, such as the move to select Dennis Hopson over future stars Scottie Pippen and Reggie Miller in 1987. A pair of the most promising players of this decade, Michael Ray

Richardson and Orlando Woolridge, also ran afoul of the league's substance abuse policy and, in their absences, were unable to slow the trend of mediocrity taking hold in New Jersey.

Luck appeared to turn for the team at the beginning of the next decade, however, as the Nets drafted forward Derrick Coleman first overall in 1990, then drafted guard Kenny Anderson second overall the next year. Also in a 1991 trade with Portland, the team added guard Dražen Petrović, a one-time star of the Euroleague who had yet to break out in the NBA. Behind the trio of Coleman, Petrović, and Anderson, along with new head coach Chuck Daly, the Nets quickly began improving, and the 1992-93 season saw them notch 43 wins, with the expectation that there would have been more if not for late season injuries to Anderson's hand and Petrović's knee. However, Petrović's tragic death in a car accident during the offseason effectively ended the promise this team once displayed. By 1995, the Nets were back to their losing ways, with a 32-50 record and few prospects for improvement.

Sensing the dire situation, the Nets brass attempted to rebuild the team from scratch. Both Coleman and Anderson were traded during the 1995-96 season, and the following year, the Nets underwent a complete rebranding, changing their uniforms, logos, and color scheme. The arrival of Sam Cassell helped the team remain surprisingly relevant during the 1997-98 season, even qualifying for the playoffs before losing to the Chicago Bulls in the first round; however, the team was a major disappointment during the lockout-shortened 1998-99 season, though a trade with Minnesota did bring a star player in Stephon Marbury to the team. The team did not begin to show drastic improvement, however, until Rod Thorn, best known as the man who drafted Michael Jordan as GM of the Chicago Bulls, became team president in 2000. Thorn moved quickly to change the team's fortunes, hiring Byron Scott as head coach and selecting forward Kenyon Martin first overall in that year's draft. The next offseason, though, was even more

productive, as the Nets pulled off two massive trades. The first, on the day of the draft, sent the seventh overall pick, Eddie Griffin, to the Houston Rockets for the thirteenth overall pick, Richard Jefferson, along with Jason Collins and Brandon Armstrong. The second, which came just a day later, sent Stephon Marbury and Johnny Newman to the Phoenix Suns for all-star point guard Jason Kidd.

These moves were enough to finally put the team over the top, making them immediate title contenders. During the 2001-02 season, the Nets won a franchise record 52 games, and, following a thrilling playoff run that saw them knock off Reggie Miller's Pacers in the second round, arrived for the first time in the NBA Finals. This series proved disappointing, however, as the Los Angeles Lakers, led by its two dominant superstars, Shaquille O'Neal and Kobe Bryant, proved too much to overcome, sweeping the Nets in four games. Perhaps this moment served as the impetus for New Jersey's subsequent drive to acquire more superstars; that offseason, the team traded major contributors Keith Van Horn and Todd MacCulloch to the Philadelphia 76ers in exchange for all-star big man Dikembe Mutombo, known for his defensive prowess. In what would become a recurring theme for the Nets, however, the big move failed to pay its expected dividends due to an injury that kept him out for most of the next season. Despite this, New Jersey finished with the second seed in the Eastern Conference and again breezed through the playoffs, this time facing the San Antonio Spurs in the NBA Finals. Though the series was far more competitive than the previous year's, the Nets still lost the Finals, four games to two, to the Spurs.

For the next several years, the Nets would remain competitive in the East with Kidd and Jefferson leading the charge. New Jersey still coveted superstar power, however, evident in the team's 2003 free agency acquisition of Alonzo Mourning and his subsequent trade to Toronto for

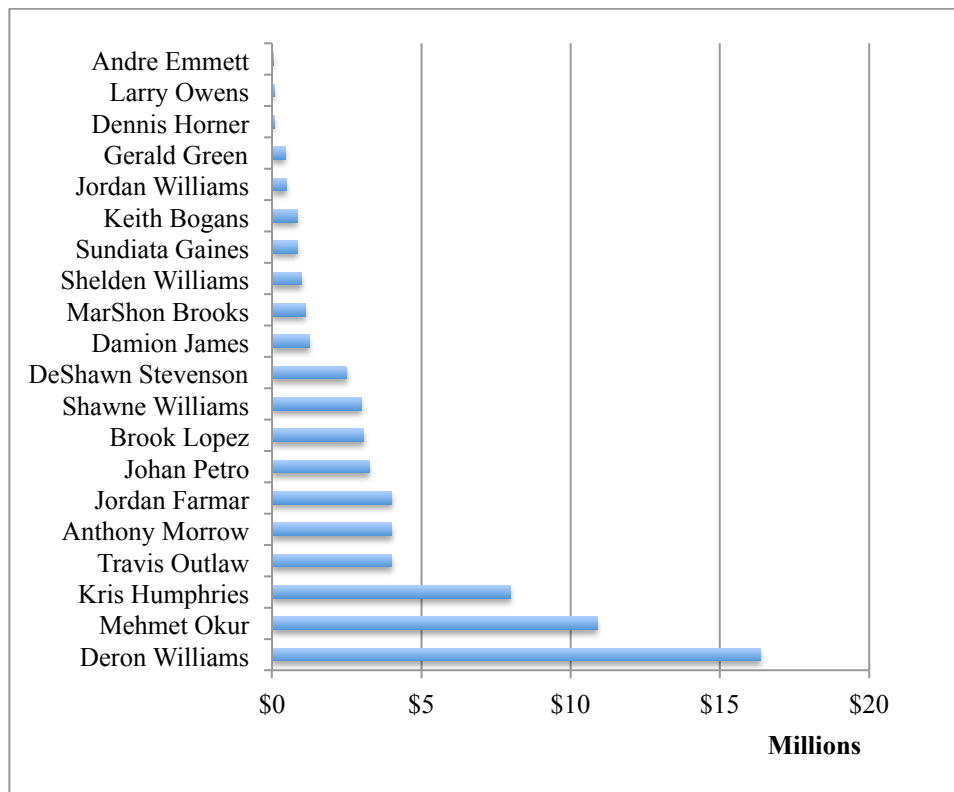
Vince Carter in 2004. Carter's arrival gave the Nets what they viewed as a three-superstar team, a proto-Heat of sorts, but rotating injuries and subpar players at other key positions kept the team from returning to the Finals, though 2006 and 2007 produced memorable second-round playoff runs. However, with the team never able to make the next step, Thorn and management began to retool. For all intent and purpose, the unparalleled success for New Jersey that Jason Kidd ushered in departed with him in 2008 when he was traded to the Dallas Mavericks in exchange for point guard Devin Harris, former Net Keith Van Horn, several other role players, and cash considerations. In theory, the trade was designed to make New Jersey younger while keeping considerable talent allocated to the point guard position in addition to retaining younger stars in Carter and Jefferson. However, the 2007-08 season, in conjunction with the rash of injuries that had long plagued the team, left such a sour taste that the youth movement, with its perceived minimization of injury risk, gathered momentum. Soon, Jefferson was shipped away to Milwaukee for the sixth overall pick in the 2008 draft, Yi Jianlian. In the same draft, the Nets selected center Brook Lopez 10th overall, and stretch big man Ryan Anderson 21st overall. These kinds of moves are important to bear in mind because from a certain perspective, these are fiscally responsible, future-oriented tough decisions, the kinds of compromises that helped Golden State, for example, to rise to prominence. Therefore, considering these moves brought only more losing seasons, it becomes easier to understand how the new regime in New Jersey/Brooklyn was able to remain so profligate for so long.

By 2010, the youth movement was floundering badly, and despite Harris elevating his play to an All-Star level, the cost-cutting, youth-enhancing moves of the previous three seasons had yet to produce any additional playoff wins; quite the contrary, New Jersey went from identical 34-48 records in the 2007-08 and 2008-09 seasons to a league-worst 12-70 record

during the 2009-10 campaign. Concurrently, Russian billionaire Mikhail Prokhorov was in the process of buying the team, as well as funding a significant portion of its new Brooklyn-based arena. The team was desperate for a change, and Prokhorov, along with longtime minority owner Jay Z, who took a more public and hands-on role with the team, represented a real chance for turning the franchise around. In Prokhorov, the Nets had found an owner whose love of basketball, proclivity for partying, and financial acumen aligned well with the values of the bustling, multi-ethnic metropolis to which the team would soon return (Associated Press). After replacing Thorn with new GM Billy King, the team also moved to hire head coach Avery Johnson, who at the time held the NBA record for winning percentage due to his successful but short tenure with the Mavericks, and with the third overall pick in the 2010 draft, they selected power forward Derrick Favors. But Prokhorov was less interested in a slow rebuild, and his first summer in New Jersey was spent futilely attempting to court the league's top names, such as LeBron James, Dwyane Wade, Chris Bosh, and Amar'e Stoudemire, while trade rumors centering around the Nets and Carmelo Anthony dominated the latter half of 2010, though no deal was brokered.

An interview with the owner near the trade deadline in February 2011 reveals Prokhorov's motivations even more directly. First, he downplays any notion that the team's losing record is indicative of any larger foundational problems, touting the Nets' "new coach," "strong front office," "talented young players," "five first-round draft picks," and "tradeable assets;" however, he goes on to emphatically state, "We need just one superstar," who will become "the king of the world" and "the first really global basketball player" (Rovell). Not coincidentally, on the same day, the Nets would trade Favors and Harris along with two first round draft picks to the Utah Jazz for All-Star point guard Deron Williams, giving the team the

superstar they so desperately craved. In spite of his arrival, however, the team was unable to improve immediately, and finished with a middling 24-58 record.

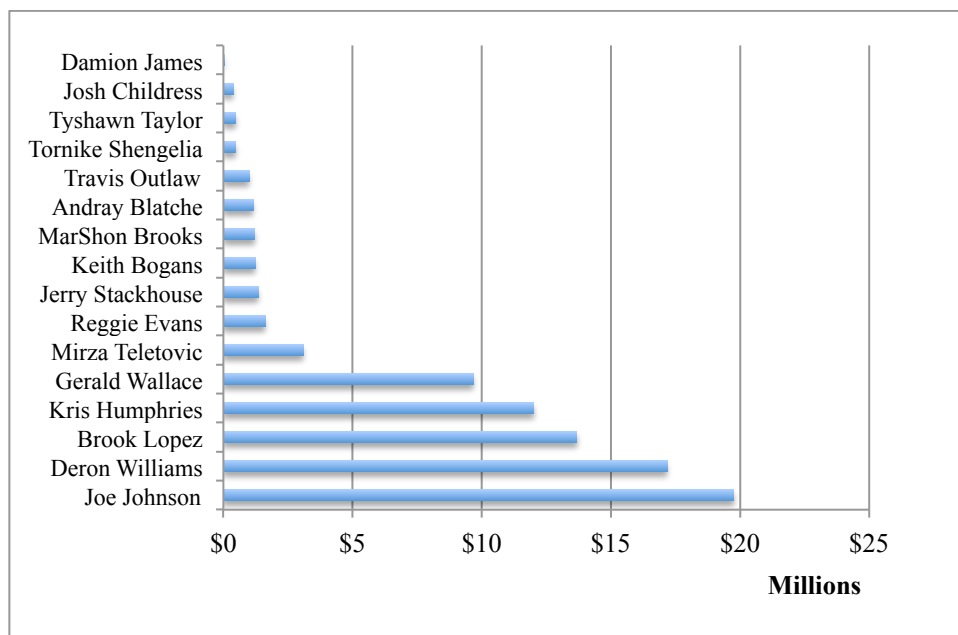


2011-12 Season

With an understanding that their crown jewel might leave the next year in free agency should the team continue to underperform, the Nets spent the lockout-shortened 2011-12 season attempting to make the playoffs for the first time in five years; the injury bug again hampered the team's plans, however, as Brook Lopez suffered a fractured right foot in the preseason and missed all but five regular season games. With Williams still the team's only superstar and offensive creator, the Nets finished 22-44, and this only intensified management's desire for more talent, especially given their large amounts of cap room to add top players. At the 2012 trade deadline, the Nets had already traded their first round pick for Portland's Gerald Wallace, and this time, the team targeted Orlando center Dwight Howard but trade talks fell through

despite Howard's interest in playing for the Nets. In a last-minute effort to persuade Williams to remain, a trade was orchestrated with the Atlanta Hawks to bring in shooting guard Joe Johnson, who, though productive, had never been the undisputed star of a successful team, but was nonetheless seen as a superstar pickup. The bigger issue with Johnson was his six-year, \$123.7 million contract, which the Hawks and their new GM, Danny Ferry, were eager to unload for what amounted to a collection of Nets role players and a lottery-protected future first rounder. The now-Brooklyn Nets, however, more than willingly accepted the albatross in exchange for all but guaranteeing Williams would remain with the franchise; indeed, the next day, he re-signed for five years and \$98.7 million (Stein, Broussard).

The strategy: with Williams committed to the team long-term, the Nets would build around him and Johnson, and, in keeping with the thinking behind their previous decisions, would not let salary cap restrictions and other financial hamstrings, such as the luxury tax, dictate their personnel moves. This is reflected in the payroll graph for the following season's team:



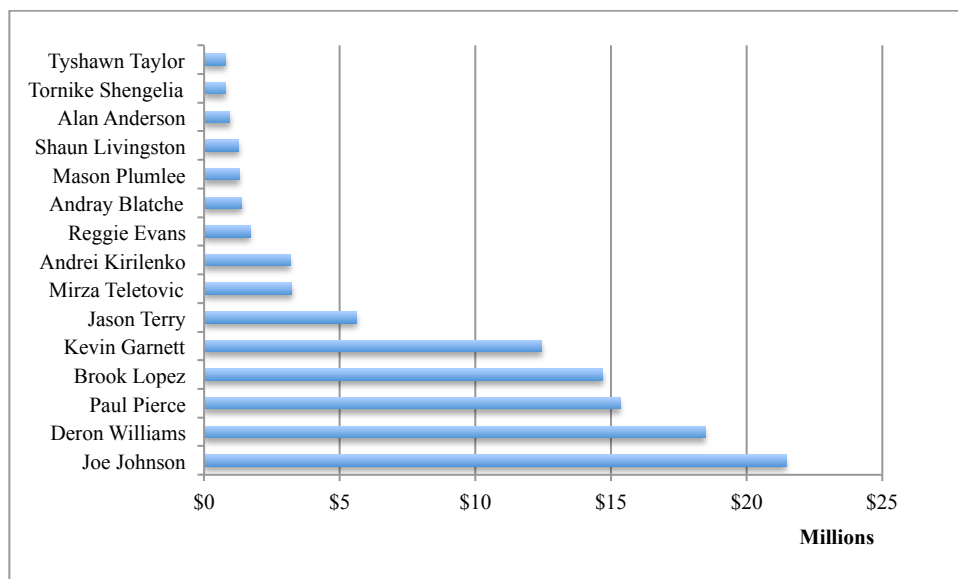
2012-13 Season

This team is tiered in a way, with its bench players compensated relatively equitably and cheaply. This appears to be by necessity, however, given the massive financial commitments made to the team's starters. This is also where the distribution becomes traditional and not tiered at all, as each starter, though paid much more than a role player, is paid incrementally according to value and, importantly, past production, with Gerald Wallace making just above half of what Joe Johnson makes. Also of note here is the dearth of bench talent, foreshadowing the issues Brooklyn's nascent strategy would create for this immensely important group of players in the future; as teams like Golden State and San Antonio were bulking up their benches with cheap but talented veterans and rookies, Brooklyn was neglecting its bench, focusing instead on its starting five.

In spite of the lack of bench focus, as well as an early-season skid that saw Avery Johnson replaced by P.J. Carlesimo as head coach, this team would go on to become one of the most successful in recent memory, finishing with a 49-33 record and capturing the 4th seed in the Eastern Conference playoff picture. After losing a hard-fought seven game series to the Chicago Bulls, the Nets found themselves at yet another critical summer crossroads. The team appeared to be heading in the right direction behind the core of Williams, Johnson, and Lopez, but success only served to fuel Prokhorov's competitive fire, and with the decision to replace Carlesimo at the helm with the recently retired Jason Kidd demonstrated that the Nets' brass would continue looking to add talent.

"Today, the basketball gods smiled on the Nets," began Prokhorov in a July 12, 2013 statement, as he went on to inform the basketball world that his Nets had acquired legendary forwards Paul Pierce and Kevin Garnett, as well as key bench contributor Jason Terry, from the Boston Celtics in exchange for a litany of players and picks, including Gerald Wallace,

promising young guard MarShon Brooks, longtime power forward Kris Humphries, and first round picks in 2014, 2016, 2017, and 2018. Analysts viewed the move as extremely risky given the advanced ages of Pierce (36) and Garnett (37), but though it was widely acknowledged that Brooklyn was mortgaging its near future, few writers at the time saw the deal as the massive coup for Boston that it would later seem. Some even saw the trade as a win for Brooklyn, with Bleacher Report's Jimmy Spencer, for example, arguing that "it's easier to coach veterans, especially guys like Garnett and Paul Pierce, than it is to try and jell talent that's never won." (Spencer) While sentiments like these certainly speak to the value of established veteran leaders in the locker room and on the court, they are also emblematic of the twisted logic that doomed the Nets: that it remains easier to build a team around proven (and thus, high-priced) veterans than it is to build around rookies and cheaper veterans, which indeed takes a longer period of time. During this summer, however, the Nets did focus more on these types of players, signing Andrei Kirilenko, Alan Anderson, and Shaun Livingston and drafting a solid contributor in Mason Plumlee.



2013-14 Season

By 2013, the Nets had the largest payroll in the NBA, and the distribution becomes far more standard with the presence of Garnett, Pierce, and Terry. However, much of this curve is the result of Joe Johnson's now-officially bloated contract, as the veteran swingman only posted 15.8 points per game. In fact, of Brooklyn's highest-paid players, Brook Lopez, with the second-smallest salary, emerged as the leading scorer with 20.7 points per game, though these stats were inflated by the fact that he spent most of the calendar year of 2014 sitting out with a season-ending foot injury. New addition Pierce posted a mere 13.5 points per game, while Garnett only scored 6.5, signaling the end of both veterans' days as night-in night-out performers. Again, this speaks to Brooklyn's tendency to misplace value, because even though the Nets orchestrated the terms of none of these contracts, they were willing to take them into their payroll concurrently under the expectation that their size would coincide with player performance.

Under this payroll structure, the Nets would go on to finish with a 44-38 record and the third seed in the Eastern Conference, in spite of a miserable start that saw many of the new pieces of the team struggling to adjust to an environment that demanded multiple superstars play off each other instead of through themselves. However, by January, the team began to turn around, going 10-3 in the month and then also going 12-4 in March, despite the absence of Garnett; Kidd would win an Eastern Conference coach of the month award for both months (Keh). Kidd's decision to go small following Lopez's injury, starting Johnson at small forward and Pierce at power forward while also starting another point guard beside Williams, usually Livingston or Anderson, played an integral role in the turnaround, revealing yet another example of the link between positionless, isolation-eschewing basketball and team success.

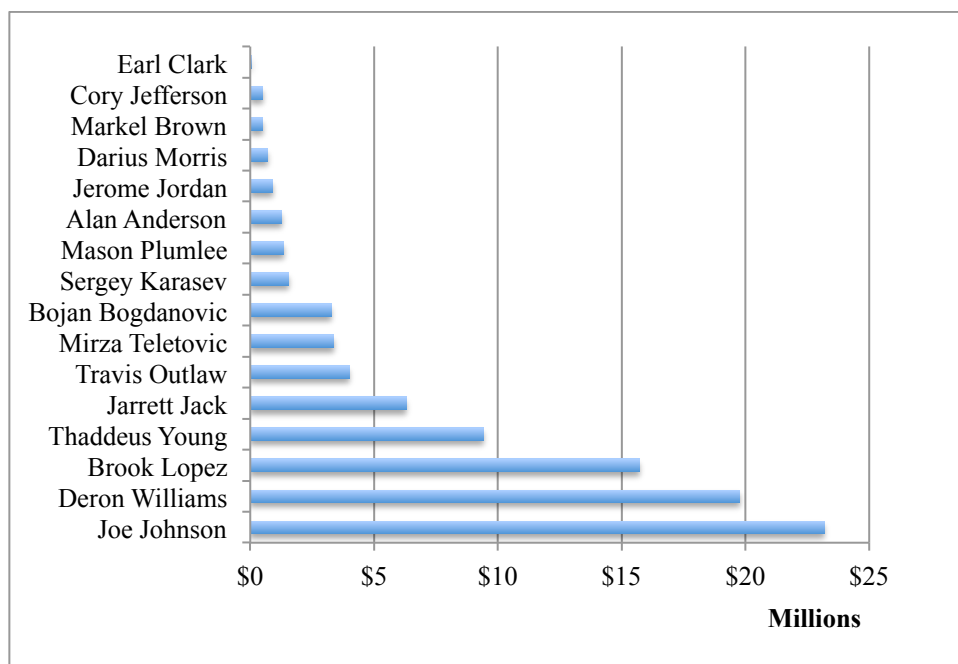
Equally impressive to NBA observers was the fact that the Nets swept the Heat, 4-0, in the regular season series. After making the playoffs for the second consecutive year, the Nets

faced the Toronto Raptors and won in a close seven-game series, with Paul Pierce hitting the game winning jump shot in Game 7 prior to exclaiming, “That’s why they got me here!” (Golliver). At the end of the day, though, this team was constructed with the expressed intent of challenging the Miami Heat for Eastern Conference superiority. And while Toronto proved a worthy but lesser opponent, Miami did not; the Nets lost to their structural inspiration in the second round of the playoffs, four games to one. The playoffs saw the reemergence of Joe Johnson as a go-to isolation scorer, but underscored the reality of the Nets’ situation: unlike Miami, this team was no greater than the sum of its superstar parts. The loss to Miami, therefore, was different from any routine playoff exit. With the age of Garnett and Pierce showing more than anticipated, losing to the Heat took a heavy psychological toll on the team, seemingly repudiating the strategies of the past few years.

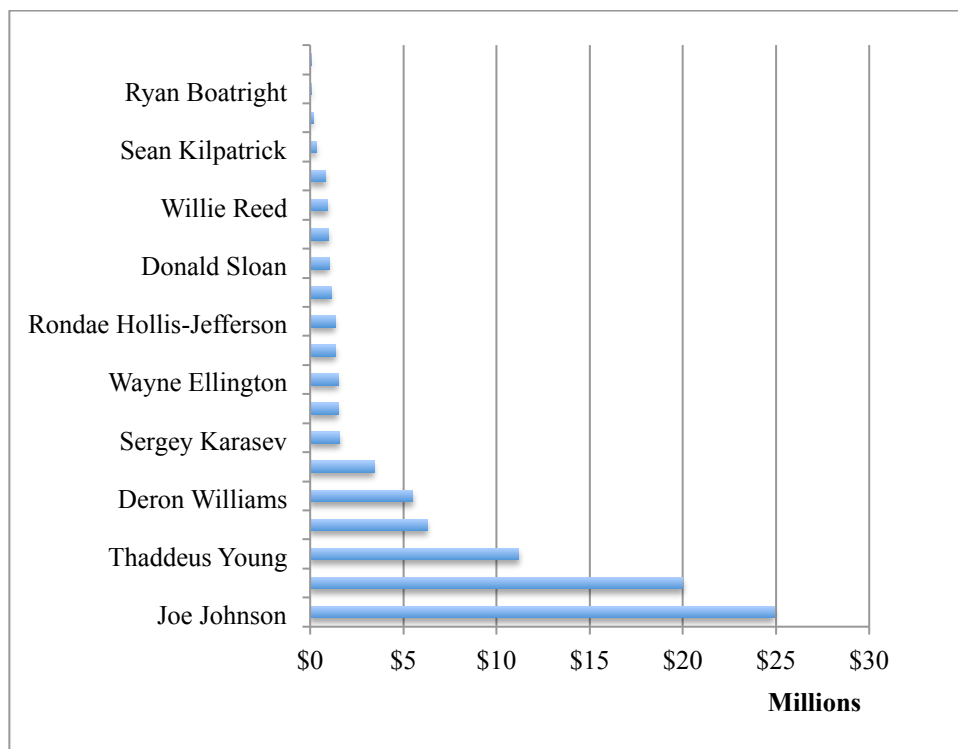
More turnover characterized the 2014 offseason: the Nets traded Kidd to Milwaukee for two second round picks and hired former Grizzlies coach Lionel Hollins as his replacement. However, the most impactful move was Paul Pierce’s decision to sign with the Washington Wizards instead of re-signing with the Nets. Without Pierce’s scoring, the team underperformed, and despite strong play from Joe Johnson and Mason Plumlee, injuries, especially to Deron Williams, again derailed the Nets. Following an abysmal January that saw the team go 0-7 at home and 3-12 overall, Garnett was traded back to the team that drafted him, the Minnesota Timberwolves, for forward Thaddeus Young, and the Nets’ great experiment officially came to a bitter end. Though the Nets still squeaked into the playoffs as a 38-44 eighth seed, they would lose to the Atlanta Hawks, coached by isolation-shunning former Spurs assistant Mike Budenholzer. The summer of 2015 would see Deron Williams bought out of his contract and sign with the Dallas Mavericks, and all too late, Billy King admitted the Nets had reentered

rebuilding mode, and the team’s focus had finally shifted towards “trying to gain younger assets” while relishing the leadership that Garnett and Pierce brought to the team, if only briefly (Araton). After effectively serving as the in-his-prime superstar the Nets so desperately sought for his entire tenure with them, and continued to seek in spite of (or because of) his presence, Joe Johnson’s production declined to such a point that in March 2016, the Nets bought out his contract and he signed with the Miami Heat before signing with the Utah Jazz the following summer (Wallace).

A look at the payroll distributions for the Nets from 2014-2016 reveals a franchise in shambles, and still constructed quite traditionally.



2014-15 Season



2015-16 Season

With the experiment over, the distribution now looks extremely standard, with incrementally increasing contracts dominating the top end, and three players of moderate ability paid more than \$15 million in 2015. The contracts of Williams and Johnson would soon come off the books due to their departures. All this serves to underscore the lack of logic behind the standard curve: without true superstars, some players undeserving of the label receive often-exorbitant compensation. This remains especially true for teams, like the Nets, that, facing extreme pressure to win quickly, equate players' past value with future value, and past value with current and future compensation. Now the Nets find themselves in yet another rebuild, with yet another head coach, Kenny Atkinson, and yet another general manager, Sean Marks. With the success of patient rebuilds in Golden State and Oklahoma City and quite possibly Minnesota and Philadelphia, perhaps this time, the Nets will indeed focus on drafting and developing young talent, shying away from traditional, isolation-driven superstars, and more equitable pay to keep the team flexible, grounded, and competitive.

THE DALLAS MAVERICKS

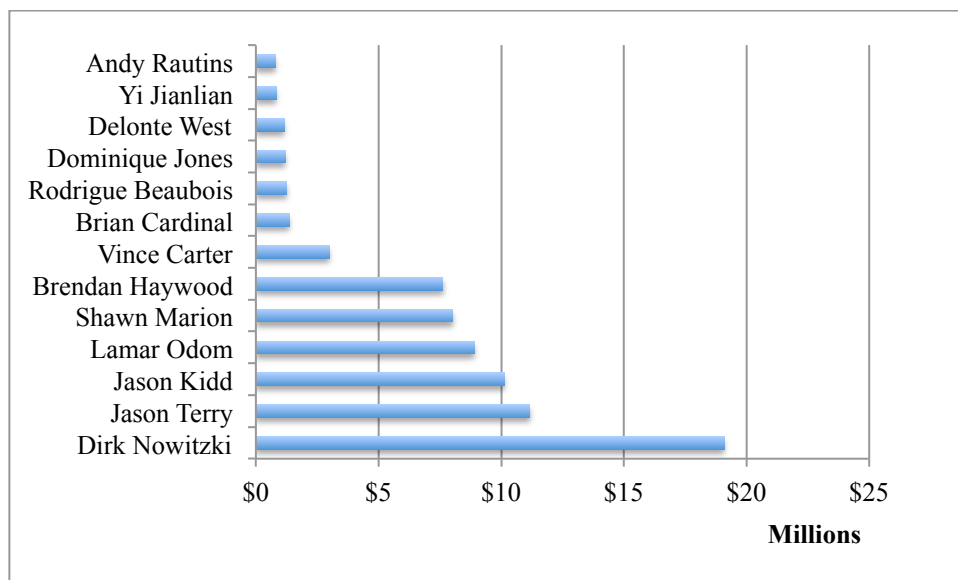
What happens, then, when a team in basketball purgatory manages to escape, if only briefly, and win a championship? The Dallas Mavericks, since 2010, represent how a team can catch lightning in a bottle, become complacent, and fail to capitalize on a positive situation by relying on conventional wisdom instead of pivoting. The Mavericks find themselves now at a crossroads, driven there by their unwavering commitment to superstar pursuit in free agency that has seen them whiff on big names like Deron Williams, Dwight Howard and DeAndre Jordan. The 2011 Mavericks alone could serve as a prime case study for how to win with a one-superstar team; similar to the Nets, the Mavs since then serve as an even more prescient case study for arguing against superstar pursuit without an underlying basketball strategy, thus also making the case for tiered distributions in the absence of superstars.

As mentioned before, few NBA front offices would ever consider publicly coming out in favor of abandoning the lofty dream of landing a superstar player. However, with the league's evolution into a shooting league, teams have begun to value players differently. Suddenly, Klay Thompson serves as a better example of a superstar than a dominant big man like Dwight Howard, even in his prime some five years ago. Therefore, perhaps it can be more accurately stated that the conventional wisdom dooming the Mavericks is the correlation between superstar players, isolation basketball, and max contracts, a correlation rejected by the management of some recently successful teams such as the San Antonio Spurs, the Boston Celtics, and the aforementioned Golden State Warriors. Most teams adamantly claim to possess, or wish to possess, multiple superstars; their definitions of such players, however, differ significantly.

For the Mavericks, figuring out this definition has seemed less than relevant. After winning the championship in 2011, their front office wisely began to look ahead to a time when

Dirk Nowitzki, their sweet-shooting German power forward who helped to redefine the position, could no longer carry the weight of the team by himself. Publicly, this meant aggressively searching for another max-contract player to pair him with, usually during the summertime free agency period. Owner Mark Cuban and general manager Donnie Nelson saw free agency as a prime opportunity, and touted Dallas as a top destination for the league's best due to its lack of a state income tax, its well-respected and accomplished head coach, Rick Carlisle, and the presence of an established superstar in Nowitzki. With the new CBA coming into effect just after their Finals win, Dallas set into motion a plan to keep the team competitive on a year-to-year basis while retaining the flexibility to sign a max player whenever the chance should arise. Derisively termed "plan powder" by Mavericks beat writer Mike Fisher, it involved jettisoning salaries in the short term, signing veterans to short and inexpensive contracts, trading draft picks for cap space, and aggressively pursuing top-name free agents every summer (Tobolowsky).

Though it remains hard to tell if the Mavericks' recent trade for Nerlens Noel and their seeming commitment to keeping a lottery pick in this year's draft signals the end of plan powder, the team's strategy appears to have shifted not long after DeAndre Jordan decided to remain with the Los Angeles Clippers. Only time will tell if this shift can keep the franchise relevant or even propel it back to previous levels of success as Nowitzki's career winds down. However, looking at the salary distributions employed by Dallas in the past five years can serve to illustrate both the strengths and drawbacks of the Mavericks' strategy, as traditional curves dominate and tiers do not exist often. However, Dallas' commitment to their bench units due to their lack of ability to attract a second star represents a deviation from the strategies of many traditionally constructed teams.

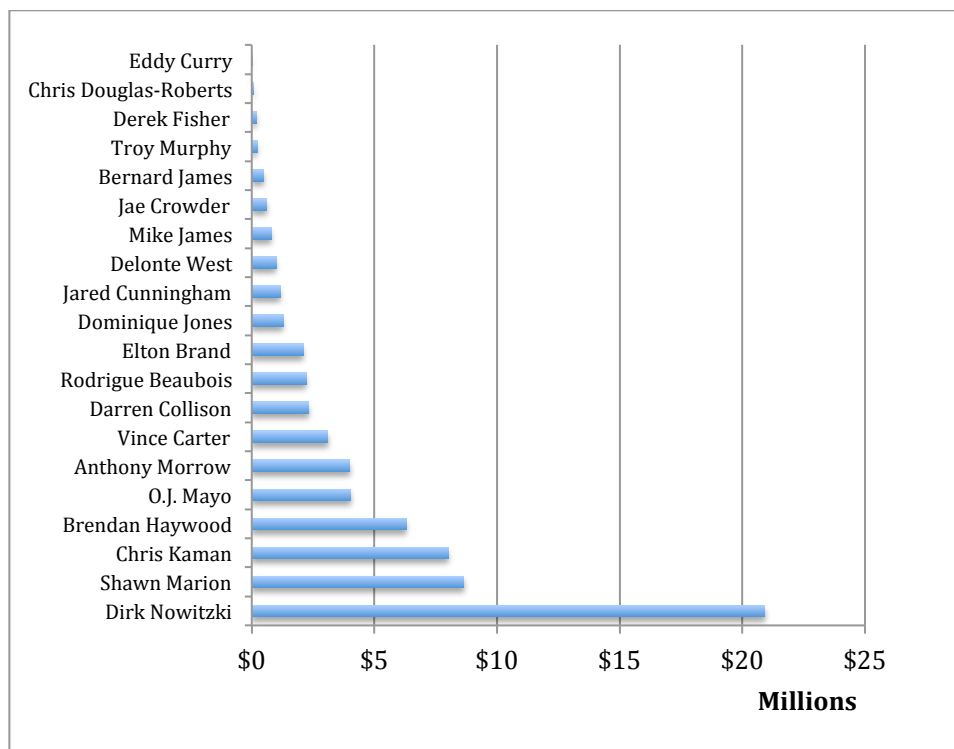


2011-12 Season

The distribution for the first post-championship Mavericks team is rather tiered, if Dirk Nowitzki is thought of as a tier of his own. The jump between sixth man Vince Carter and Brendan Haywood (starting again after the departure of Chandler in free agency) demonstrates a clear separation between bench players and starters, or at least between heavy minutes contributors and others. Nowitzki's contract does keep this year's distribution firmly in traditional territory. However, more than anything else, what stands out is how cheaply constructed this team is, obviously in preparation for free agency. For all the Mavericks' recent faults, this distribution also illustrates the team's ability to accurately assign value and, on occasion, sign players below their on-the-court value: Carter and West each provided roughly 25 minutes a game off the bench, but only cost the team a combined \$5,146,337. In this way, the Mavericks approached their retooling process in an intelligent way, even from the start.

The summer of 2012 was a critical one for Dallas' plans, as Deron Williams, a native of suburban Dallas, was hitting the free agency market. As mentioned in the previous section, Williams opted to remain with the soon-to-be Brooklyn Nets, denying Dallas its superstar of

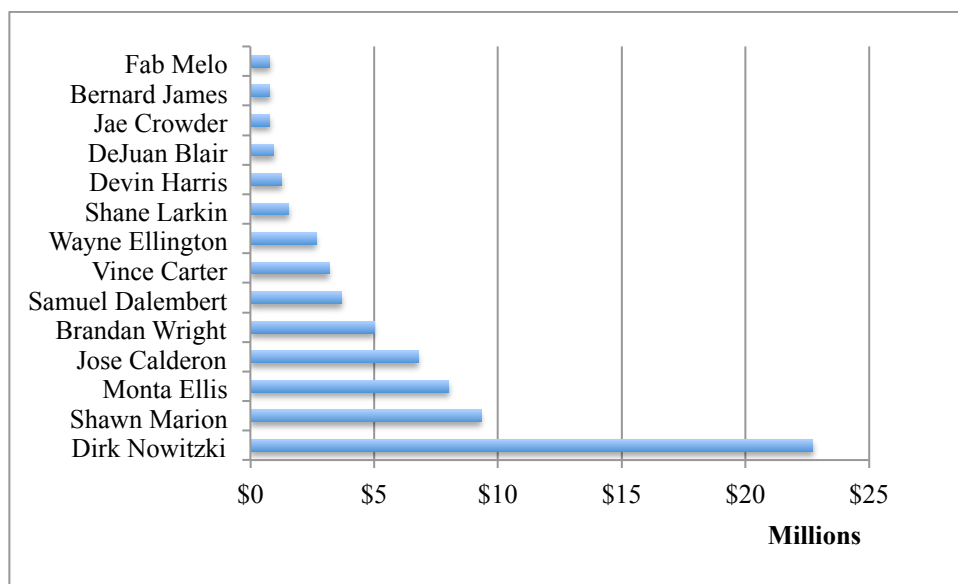
choice. Following this setback, the Mavericks constructed the next year's team very similarly to how they had constructed the previous one, signing cheap veterans on short-term deals while paying Nowitzki upwards of \$20 million. With his contract on the books, tiered distributions remained relatively impossible for Dallas, but the team still managed to sign the right types of players on the right types of deals. The key difference with this team is the fact that value is more misplaced; while cheap, centers Elton Brand and Chris Kaman produced only minimally, and the lack of talent at the center position only added to Dallas' desire for a superstar big man, which would prove to be Plan Powder's undoing.



2012-13 Season

Already, the distribution begins to look more standard, though the gap between Shawn Marion's \$8 million and Nowitzki's \$22 million seems like a gulf even by NBA standards. The Mavericks rightly interpreted this as a negative, and saw it as yet another piece of evidence that they were a one-superstar team. Faced with the continued success of the Heat, the resurgence of the Spurs, the growth of the Thunder, and the seeds of (soon to fail) superteams in Brooklyn and

Los Angeles, the Dallas brass continued in earnest their mission to pair Nowitzki with another max-dollar superstar while signing cheap veterans to short-term contracts. The saving grace behind this strategy, again, was the focus on value. With a long-term goal, however misinformed, in mind, Dallas was in no position to throw money around and give bloated, long-term contracts to middling players, only relatively cheap, short-term contracts to middling players.



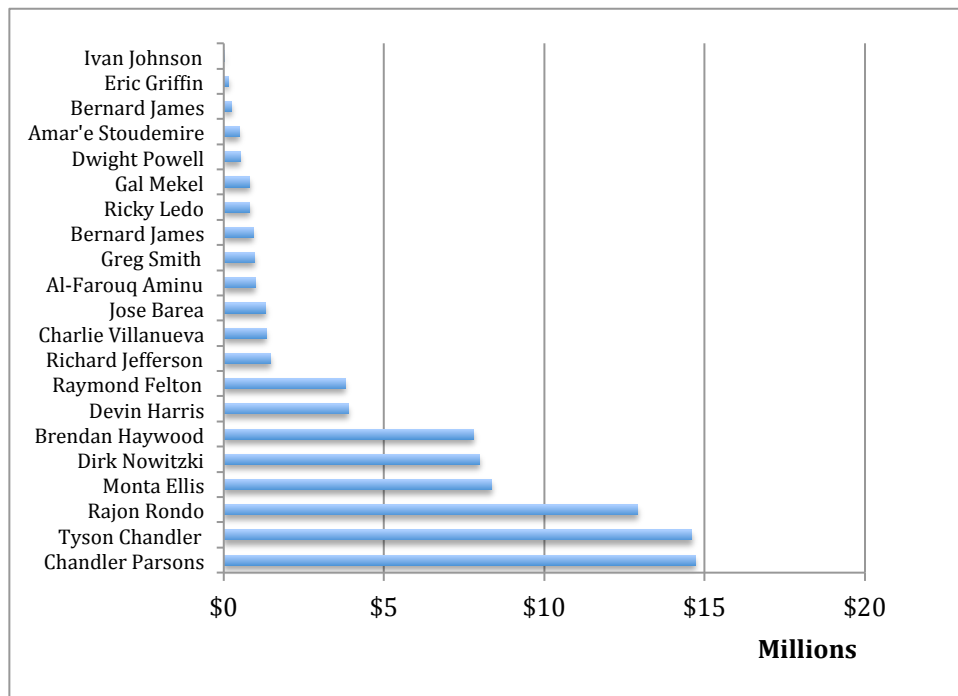
2013-14 Season

This incarnation of the Mavericks remains one of the more starkly steep curves within the limits of this study. Nowitzki, on the final year of his deal, still commanded well over \$20 million, but the arrival of Monta Ellis and Jose Calderon over the summer of 2013, filled in the distribution, making it appear significantly more standard. Again, in retrospect, Ellis and Calderon's contracts look like steals, but at the time, Ellis' 3-year, \$28 million deal and Calderon's 4-year, \$29 million deal were controversial, even criticized as significant commitments to players with insignificant histories and statistics (MacMahon, Stein). Both contracts ended up keeping the team financially flexible, however, as the Mavericks correctly

wagered these agreements would pale in comparison to the enormous contracts players signed following the 2016 cap explosion. This version of the Mavericks, however, evolved into one of the most offensively productive and competitive teams the franchise has fielded since the championship run. With a deadly pick-and-roll between Ellis and Nowitzki the offensive centerpiece, the Mavericks secured the 8 seed in an extremely competitive Western Conference with a record of 49-33 and pushed the 1-seeded defending champions, the San Antonio Spurs, to seven games before losing a thrilling first-round series.

The following offseason, the aging Shawn Marion departed for Cleveland, leaving Dallas with a hole at small forward to fill. Of the options available, two, Trevor Ariza and Luol Deng, represented defensive-minded shooters with stats unlikely to wow outside observers, the kinds of players teams like San Antonio or Golden State sought out with regularity. A third, riskier option, was to sign the Rockets' Chandler Parsons to an offer sheet and hope it was not matched. Parsons, at the time, had a much higher ceiling, and his outspoken, celebrity personality endeared him to Cuban. Without a true superstar on the market, Cuban committed a grave mistake and created one—Parsons. Parsons remains Cuban's greatest indictment, and the most eye-opening piece of evidence that the Mavericks' mercurial owner, perhaps even subconsciously, sought marketable, charismatic superstars above team fit. Even at the time of Houston deciding not to match the offer sheet and making Parsons a Maverick, writers commented on the curious and often adversarial relationship between the image-conscious Cuban and Rockets GM Daryl Morey, whom he once described as “the Spock of the NBA” because of his tendency to “[talk] about logic all the time” (Stein). Parsons joined the Mavs on a 3-year, \$46.1 million deal that commentators criticized for its excess; Cuban correctly assured these detractors that it would pale in comparison to the contracts that would be signed after the 2016 cap increase, again

demonstrating the balancing act between his need for financial flexibility and his need for superstar talent.



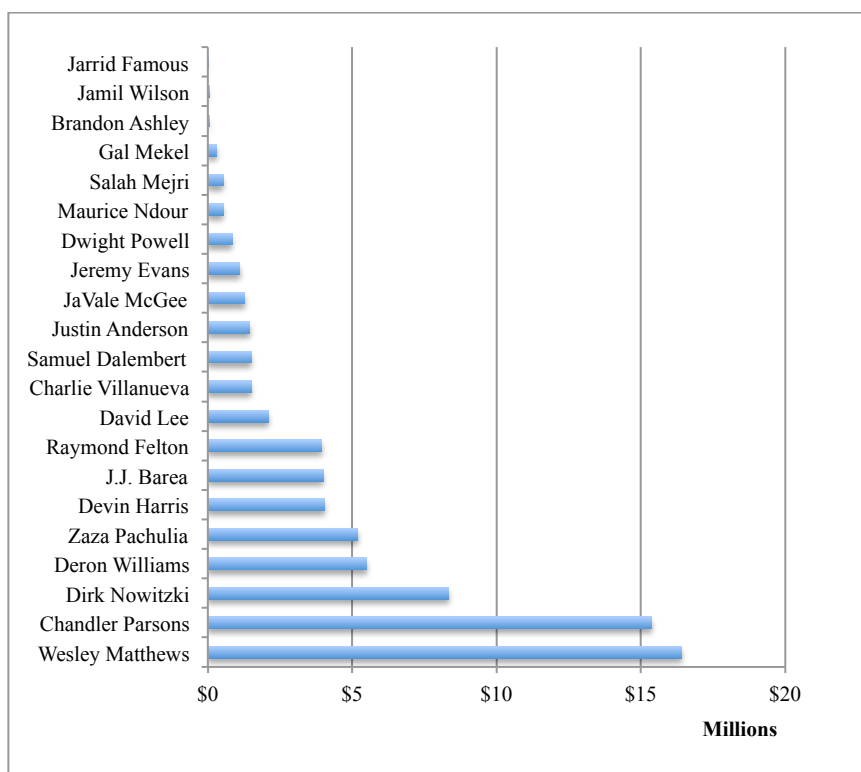
2014-15 Season

Following the Rondo trade, the 2014-15 Mavericks payroll began to take on a distinctly tiered structure yet again. The issue, however, came with the unfortunate basketball reality that sometimes, players fail to perform congruently with the dollar value assigned to them by a previous team. This was definitely the case with Rondo, whose decline has been attributed to a lack of interest in leaving Boston, injuries, and a poor relationship with Dallas head coach Rick Carlisle, or a combination of several factors. Regardless, by attempting to make a past-his-prime Rondo a franchise centerpiece, it is clear that the Dallas front office was not aiming for a tiered distribution, nor was it aiming for flow basketball. Instead, it merely overvalued Rondo, considering him a superstar by virtue of his past statistics and contract size, and, in its desperate haste to build a star-studded team, brought him into the fold. Like the Nets, the closer the

Mavericks found themselves to contention, the harder they tried to bring even more talent to the organization, with disastrous results.

With his extremely public and well-documented fall from grace and immediate departure, Rondo presented the Mavericks again with a clean slate. Had the team re-signed Tyson Chandler at market value and signed a defensive-minded point guard with the ability to shoot from deep, they could have experimented with a tiered distribution without sacrificing any of the previous year's offensive firepower, especially with what was then assumed to be a healthy Chandler Parsons.

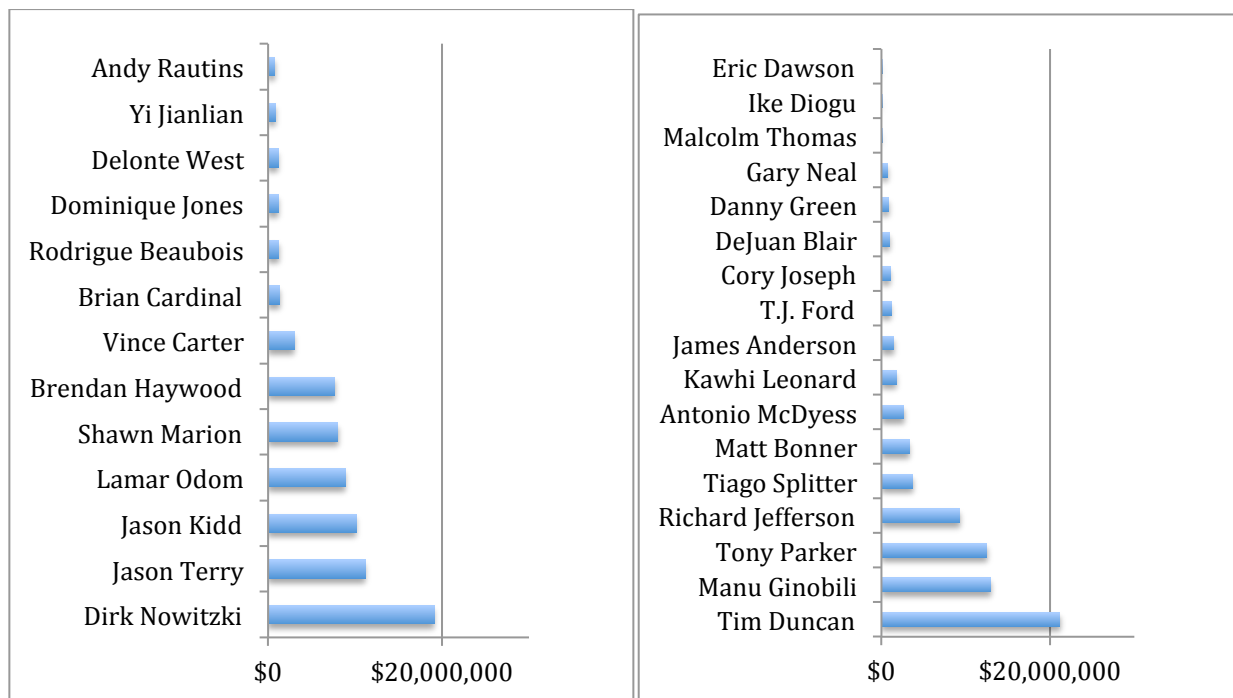
Instead, the Mavericks front office publicly went after DeAndre Jordan, still craving their second superstar. As in years before, the front office reassured fans, pointing to their contingency plans, one of which involved re-signing Chandler. However, they were utterly unprepared for what did transpire. Jordan, nearly a week after verbally agreeing to sign with the Mavericks, began having second thoughts, and following several last-minute pitches from his Clippers teammates, decided to remain in Los Angeles on a 4-year, \$88 million contract (MacMahon, Shelburne, Stein). Predictably, the mood among Mavericks fans was grim, and while much of the blame understandably fell on Jordan himself, the front office again had to answer for their free agency failure.



2015-16 Season

For the Mavericks, as with the Nets, the key issue with their team building strategy was improper valuation, or more specifically, valuation of possibilities over realities. Instead of identifying the key contributors to the 2011 title run, especially younger high producers like J.J. Barea and Tyson Chandler and locking them into longer-term deals, the Mavericks waited too long to see their value. Once they returned to the team under a very different set of circumstances in 2014, the available years of production for both players had dwindled. By augmenting their title team with cheap draft picks and the same kinds of cheap veterans they ended up employing, such as Vince Carter and Brandan Wright, the Mavericks could have followed a Spurs-type blueprint for remaining in contention despite the aging of their core. Instead, while the Spurs traded up to draft Kawhi Leonard, the Mavericks traded their first round pick, Jordan Hamilton for bench contributor Rudy Fernandez, who, along with defensive specialist and energy man

Corey Brewer, was promptly traded for cash considerations. A comparison of the 2011-12 Mavericks' payroll and the 2011-12 Spurs' payroll reveals some similarities: both teams pay one player, Nowitzki and Duncan, respectively, significantly more than any other player, but another, lower-paid, starting tier is evident due to its clear separation from the bench units in both cases. What sets the two distributions, each tiered in this way, apart, is the younger average age and deeper bench of the Spurs.



Thus, distribution remains important to visualize trends in team construction. However, the distribution is less important than the players themselves and whether or not their skillsets match up well with the team's general basketball philosophy. The Spurs, in their attempt to surround their aging superstar, Tim Duncan, with a supporting cast that could both win him additional rings and also take over upon his retirement, quickly identified a new direction the team would go in and identified the best possible players for their current pass-heavy, no-frills system. The Mavericks, on the other hand, learned the hard way about a frustrating sports

paradox: “quick” rebuilds often take longer than under-the-radar retooling processes. For Cuban and company, however, this particular rebuild was especially painful because of how prudently and thriftily they attempted to carry it out, only to see it crumble.

A BLUEPRINT: SPREAD THE WEALTH, SPREAD THE FLOOR

Several conclusions arise from these analyses: first and foremost, teams that employ tiered distributions tend to value cheaper, drafted players and low-risk, high-reward veterans. The tiered model lends itself well to floor-spacing teams, as evidenced by the Warriors case study, in that it forces teams to place different value on different kinds of players. To maintain such a system, three max players, each of whom would likely play with a more individualistic, isolation-based approach, could not end up on the same team without taking massive pay cuts and playing for an amount far below their market value.

Another significant issue that tiered distributions can lead to is that of the so-called leadership vacuum. Since ideal tiered teams are younger, do not pay one player significantly more than the next (aside from the bench-starter divide), and thus often lack a traditional (and traditionally-paid) superstar, some teams has difficulties performing. This leadership vacuum is hard to navigate; when teams pay one player significantly more than the next man on the roster, other players (usually) rightfully associate his salary with leadership status and past performance and thus defer to him in critical game situations. As many of the downward spirals chronicled in the above case studies stem from a disconnect in understanding of these issues between owners and their GM's, and between GM's and players, an especially telling set of data is the yearly NBA GM survey. In this survey, GM's anonymously answer questions about the state of the league, which gives an interesting glimpse inside the minds of these critical decision-makers and their value systems. It is especially helpful as a tool for understanding how these managers view players from a leadership perspective.

In the most recent GM survey, conducted prior the 2016-17 season but after the eventful free agency period had ended, 57.1 percent of GM's surveyed responded that of all the players in

the league, Cleveland's LeBron James was the best leader. Also receiving votes were Clippers point guard Chris Paul, Golden State's Stephen Curry and Draymond Green, Chicago's Dwyane Wade, and recently-retired Spurs legend Tim Duncan. This demonstrates the supposed connection between past success, especially championship experience, and the average manager's notion of leadership. The above players, with the possible exception of Green, fall firmly in the superstar category, and also have years of success utilizing an isolation-inspired offensive game. Green's inclusion gives hope that Golden State's success might serve to inspire other executives to value talent and leadership from a different perspective, however (2016 NBA GM Survey).

In the minds of NBA executives, there also exists a consensus that regardless of how a given individual or group desires to construct their team, every basketball decision made is part of a larger domino effect. In short, what a team's competitors do more often than not profoundly influences what that particular team subsequently does. This is evident in the growing popularity of the three-point shot, the waning use of traditional, back-to-the-basket centers, and the increase in international NBA players, among other modern trends. However, this desire to match the competition often leads teams down five-to-ten year roads of futility, especially when teams attempt to duplicate certain aspects of other clubs that remain nearly impossible to match. The Lakers' disastrous 2012 attempt to create a western Miami with Steve Nash and Dwight Howard backfired only months into its implementation, while Houston's success with Yao Ming inspired other clubs to take less successful chances with other Chinese prospects like New Jersey with Yi Jianlian and, ironically enough, Houston with Jeremy Lin.

However, one-superstar teams, on the whole, tend to perform poorly, often more poorly than rebuilding teams stocked with young and undeveloped talent, and certainly more poorly

than teams with multiple superstars, no matter how dysfunctional. This poor performance is often compounded by the higher expectations for such teams; the New York Knicks with Carmelo Anthony at the helm represent an example of this phenomenon. The desire to amass talent has grounding in fact; so too does employing a patient rebuild characterized by tiered payroll distribution.

As far as another drawback of the theory, tiered teams, as suggested by these case studies, are not especially viable long-term. Though in principle, the systems behind tiered systems can and do continue guiding teams that once employed them, by necessity teams must re-sign players, often to contracts that do not fit within a certain distribution type. The Warriors represent a good example of this phenomenon: though, while rebuilding, the team employed tiered-type distributions, this largely was due to the presence of the cheap young draftees that would later make up the core of the Warriors' most successful teams. These players, with the exception of Harrison Barnes, still play for Golden State, and the front office still holds true to the basketball strategies that brought them there. However, with the cap jump, the arrival of Kevin Durant, and the soon-to-come extension for Steph Curry, which will likely make him the league's highest-paid player, Golden State has effectively ceased to employ a tiered model, and it seems unlikely that the team will employ such a model in the near future. Successful teams, once they have attained some semblance of success, no longer have the need for tiered distribution, especially if they must compete with other teams to retain the rights to their own top players in free agency. However, this does not discount the importance of such a distribution in the rebuilding or retooling phases of a team's development.

Thus, the best examples of tiered models tend to arise mainly out of necessity rather than out of strategy. This is not to downplay their effectiveness in the right scenarios, but rather to

underscore the breadth and depth of conventional thinking in the NBA, and the aforementioned difficulties with maintaining equity upon achieving sustained success. The effect of the tiered model is likely more of a correlation, but tiered models align well with well-constructed teams because of the emphasis they put on bench contribution and the lack of isolation offense they enforce by way of shunning traditional superstars. In this way, the presence of a tiered distribution serves more as a possible indicator of future success, since this hints at a team's commitment to players on their rookie contracts and to cheap but firmly established bench talent.

A final aspect that must be taken into consideration when dealing with superstars is the fan engagement created when a team pursues one in free agency. Even a failed pursuit can make a team seem relevant again, particularly when the media is able to portray the superstar changing teams as a likely course of action had it not been for certain minutia. If teams publicly adopt a commitment to rebuilding through tiered salary distributions and thus shun traditional superstars, they risk losing fan interest. More casual fans would be more excited for their team to pursue Carmelo Anthony than David West. Arguably, this connects back to a previous point about the Nets and their desire for a superstar, not from a strictly basketball standpoint but also from an advertising and media standpoint. As a large-market team seeking an even larger market with their 2012 move to Brooklyn, the Nets focused more than most of the other 29 teams in the league on landing multiple superstars, to win games, but also to create much-needed buzz around a flailing franchise. When the Mark Cuban and Dallas Mavericks pursued, agreed to terms with, and then lost out at the last hour on DeAndre Jordan, the anger and resentment fans directed at Jordan evolved into positive enthusiasm about a team that would only end up finishing 42-40. Visibly, in large markets with owners passionate about fan engagement, the free agency period serves as a summer NBA season of sorts, and only superstars represent universal big wins in free

agency. After free agency ends and these superstars must actually coalesce with their new teams, a different set of obstacles appears. But as long as fans become engaged with the team during this critical time, owners and general managers can rationalize even a massive free agency failure into seeming like a victory.

PREDICTIONS FOR THE FUTURE NBA

Before the true future of the NBA can be completely assessed, it must be seen whether or not the once and future rumblings of superstar migration come to fruition. History would suggest some superstars will continue to team up in large markets, regardless of which players will actually go through with such proceedings. As the events of the last five years have proven, the future of the league remains in the hands of superstars, and it remains worrisome how little of an effect the new CBA had on curbing the formation of superteams; take for example, DeAndre Jordan's infamous 2015 decision to remain with the Los Angeles Clippers instead of signing with the Dallas Mavericks. In theory, the CBA worked: Jordan, a max-level player, had remained with the team that drafted him. But in actuality, Jordan stayed on a superteam, albeit one whose power had already been consolidated due to a similarly myopic David Stern decision blocking the trade that would have sent Chris Paul to the Lakers and allowing the trade that did send him to the Clippers. Jordan staying in L.A., furthermore, opened the door for a possible additional superstar seeking a change of scenery and a better supporting cast, possibly Anthony in the future. LeBron's "homecoming" back to Cleveland, the perfect feel-good story for what the NBA wanted to promote with the new CBA, was merely a diversion for his jump between superteams that ultimately ended up spelling doom for Miami's glory days.

All this goes to show that, thus far, efforts to regulate the distribution of wealth in the NBA, so to speak, have failed. Barring a change in league strategy, it appears likely that other endeavors will meet a similar end. The league might eventually realize it should focus its efforts elsewhere and let superteams run wild; the 2016 NBA Finals averaged 20.1 million viewers, the most since 1998 (Pallotta). There is money to be had in an unbalanced NBA, especially one that is quickly and deliberately becoming a global brand. More fan engagement leads to better

television ratings, which in turn leads to massive television deals like the \$24 billion one that allowed for the massive cap increase seen in the summer of 2016, and, in most cases, the mere buzz surrounding a superteam creates fan engagement (Cato).

Regardless of how it plays out, it is clear that superstars are currently flocking to teams where they can play with teammates of a similar caliber. Market size is far less of an issue than it once was—see Cleveland’s recent success with multiple stars and New York’s decade of abject misery with one-superstar teams—but pending the long-term success of the Kevin Durant move for the Warriors, more and more superstars could join the exodus and, with general managers spending more than ever under the new cap, leave less talented and thus less marketable teams for greener pastures. If Golden State and Durant go on to experience the kind of success they both imagined when they paired up, no doubt other players will look even harder to form superteams. And while stars conspiring to play together is hardly a new phenomenon, no previous pairing created the kinds of behemoths that roll through the regular season today like Golden State or Cleveland. In short, the future of small market teams, especially those already disadvantaged when it comes to signing star talent, is grim.

A solution some teams have to this issue, known as tanking, relies on trading or cutting higher-priced veterans for younger and cheaper talent, shunning the traditional win-first mentality of professional sports, and stockpiling draft picks. Like the star accumulation strategy the Warriors employed in signing Durant, it has revolutionary potential if the Philadelphia 76ers, largely built through several years of tanking, find success within the next few years. However, this looks less likely than a Warriors dynasty for several reasons. First and foremost, the somewhat defeatist mentality of tanking continues to perturb fans, analysts, and even some players, coaches, and executives. Secondly, this strategy’s most prominent supporter, the man

who outspokenly defended its merits, Sam Hinkie, stepped down from his position in May 2016 for failure to complete the team's desired turnaround in a timely manner (Stein).

On a team-wide basis, at least for those teams unfortunate enough to be on the losing end of the free agency frenzy, balance can be found. As evidenced by these case studies, under the right circumstances, small market teams can find success with tiered payroll structures that emphasize a mix of inexpensive young and veteran talent that fits an underlying basketball strategy. Where should teams draw the line? At what point is it smarter to pursue superstars, and at what point is it not? The primary reason the Heat's strategy worked, the Cavaliers' is working, the Thunder's worked and the Warriors' with Kevin Durant is working is because of James and Durant's solid, undisputed position among the top five NBA players (2016 NBA GM Survey). With these transcendent talents on these teams, numerous flaws seem less damaging. Teams get into trouble with superstars when they have the wrong idea about what constitutes a superstar—usually when teams think scoring equates to star status and isolation dominance equates to team fit; they can also knowingly throw together borderline superstars, which happened in Brooklyn. Deron Williams, Joe Johnson, and Gerald Wallace all spent time as great players on bad teams for much of their careers. But together, they could put the Nets over the top. So in short, multi-superstar teams can and do work. They work a lot better with transcendent players leading them, and they work a lot worse when they are composed of borderline superstars, and especially when they lack a leader.

Another common mistake teams appear to make fairly routinely is drafting based on positional need and not on talent or systemic fit. The most successful teams of the past decade: the Spurs and Warriors, for example, have eschewed conventional wisdom and drafted superstars

in Kawhi Leonard and Stephen Curry while other teams have focused more on the flaws of these players and their nontraditional styles of play.

Furthermore, there is a tendency on the part of underperforming teams to overpay for players, especially knowing they cannot reliably attract superstars with such a losing culture. In the NFL and the MLB, these kinds of moves make more sense given the sheer number of players involved. However, these case studies illustrate that in the NBA, especially with the shift towards a three-point driven style of play, bad teams are in fact better off signing only the free agents whose skillsets align with the team's philosophy or general direction *and*, under the previous cap structure, request salaries around the \$8-10 million range (under the new cap structure, the number jumps to about \$12-15 million). The remainder of the team must be constructed via the draft and the cheap rookie contracts it provides.

But when it comes to rebuilding an NBA team, the issue of paramount importance remains implementing a cohesive basketball strategy. While teams like the Lakers, Mavericks and Nets chased superstars above all else, none had an offensive or defensive system that prescribed the types of players their respective front offices should have been searching for. Meanwhile, in Golden State, Bob Myers and Joe Lacob focused on the value of three-point shooting; San Antonio drafted and signed players who aligned with their high-basketball IQ and off-ball movement priorities; Memphis committed to a defense-first mentality. The most successful teams of the past five years have been those driven not by outside expectations, nor by conventional wisdom about what constitutes talent and value, but by strategy. For teams hoping to rebuild in the modern NBA, a league increasingly dominated by squads of superstars, tiered payroll distributions, coupled with an emphasis on finding strategy-fitting players, could lead to future success.

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